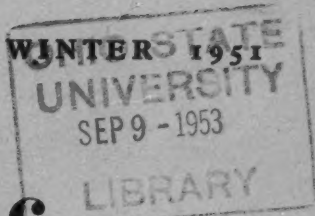


VOLUME XXIX



# Public Administration

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## CONTENTS

A MORE BALANCED VIEW .. .. .	301
ARTHUR STREET .. .. .	303
PROBLEMS OF NATIONALISED INDUSTRIES ..	317
By Lord Citrine, P.C., K.B.E.	
ADMINISTRATION IN THE GAS INDUSTRY .. ..	333
By E. Crowther	
THE CONVENTIONS OF LOCAL GOVERNMENT ..	345
By W. J. M. Mackenzie	
THE AMERICAN CIVIL SERVICE, 1939-45 .. ..	357
By Sir Percival Waterfield	
THE PLACE OF FURTHER EDUCATION IN THE PUBLIC SERVICES .. .. .	363
By Sir Harold Hartley	
COMPETITION AND RIVALRY .. .. .	373
By H. Dawes	
CHANGES IN THE MACHINERY OF GOVERNMENT SINCE 1945 .. .. .	383
By L. Petch	
THE PARISH COUNCIL AND THE RURAL COM- MUNITY .. .. .	393
By G. Duncan Mitchell, M.B.E.	

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# Public Administration

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## *A More Balanced View*

IN recent years there has been a much too ready assumption that local government is inherently a less efficient form of organisation than is central government. Sometimes, but not always, reasons are given for this assumption. Sometimes it is thought sufficient merely to point to the existence of many small Authorities to condemn local government as a whole or as a general method of administration. On other occasions the tactics are to show that a particular local service has a number of shortcomings and then to infer that such shortcomings would automatically disappear if the service were transferred to the central government.

Recent events should help to produce a more balanced view. Thus it is clear that the hospital service is not going ahead with the leaps and bounds which the simple-minded thought would be the inevitable consequence of its transfer to the central government. Indeed, there are many signs that all is not well with that service. The recent reports of the Select Committee on Estimates and of the expert Committee of the Institute of Hospital Administrators provide much food for thought.

Two other recent examples may be mentioned to show that the transfer

of a service to the central government is not a certain guarantee that in future everything will be perfect. One is the increasing shortage of electricity generating capacity leading to large-scale cuts in the winter months. The other is the recent announcement that the Valuation Department of the Board of Inland Revenue has had to suspend its attempt to revalue all house property for rating purposes.

There are, no doubt, good and adequate reasons for the recent shortcomings of these three services. It is not for one moment suggested, for example, that the electricity supply position would have been different had the Electricity Act, 1946, not been passed. Nevertheless, there is a two-fold significance in these recent happenings.

On the one hand, if these services were still with local government, one cannot but feel that their present difficulties would be used as a basis for casting doubts on the general merits of local government. Thus, before their transfer, the Local Authority hospitals were criticised for their inadequacy. It was not thought sufficient to point out that most of these hospitals had been part of the poor law until 1930, that hardly had

they been transferred from the Boards of Guardians than an economy campaign prevented capital development for several years and that, not long after, came preparations for war and then war itself. It was thought easier in some circles to blame the shortcomings on local government. The same is true of much present-day criticism of some services remaining in local hands.

On the other hand, until recent years, the central government could point to a remarkably long run of success with hardly a blemish except for odd incidents here and there. This record gave strong support to those who claimed that administration by the central government would be certain to succeed. Though, considering its many burdens, the central government still has an excellent record, it can hardly claim to be unblemished. One has only to read the Reports of the Committee on

Public Accounts issued since the end of the war, to find examples of mistakes involving comparatively large sums. And the central government cannot altogether escape blame for such major events in the field of economic affairs as the fuel and the convertibility crises of 1947. In other words no administrative body is infallible. And the cause of the failure may well have very little to do with the kind of administrative body responsible.

It is to be hoped that recent events will have given people a more sober and balanced view of what can be achieved—whether by central or by local bodies. We are not suggesting that Local Authorities should adopt the *tu quoque* as a method of argument. But at least they should now be better able to answer those who are still rash enough to suggest the nationalisation of local services as the panacea for all ills.

### E. J. Mulvany

Mr. E. J. Mulvany, I.S.O., was one of the original Committee which decided to form the Victorian Regional Group of the Institute of Public Administration in 1926 and was a member of the first Group Council. Later he became a Vice-President and was President of the Group in 1939-40. He was one of the best known public servants in Australia, having been Permanent Head of the Department of Customs and later of the Department of Commerce and Agriculture. He was also a member of the Development and Migration Commission.

### Statistics of Education Costs

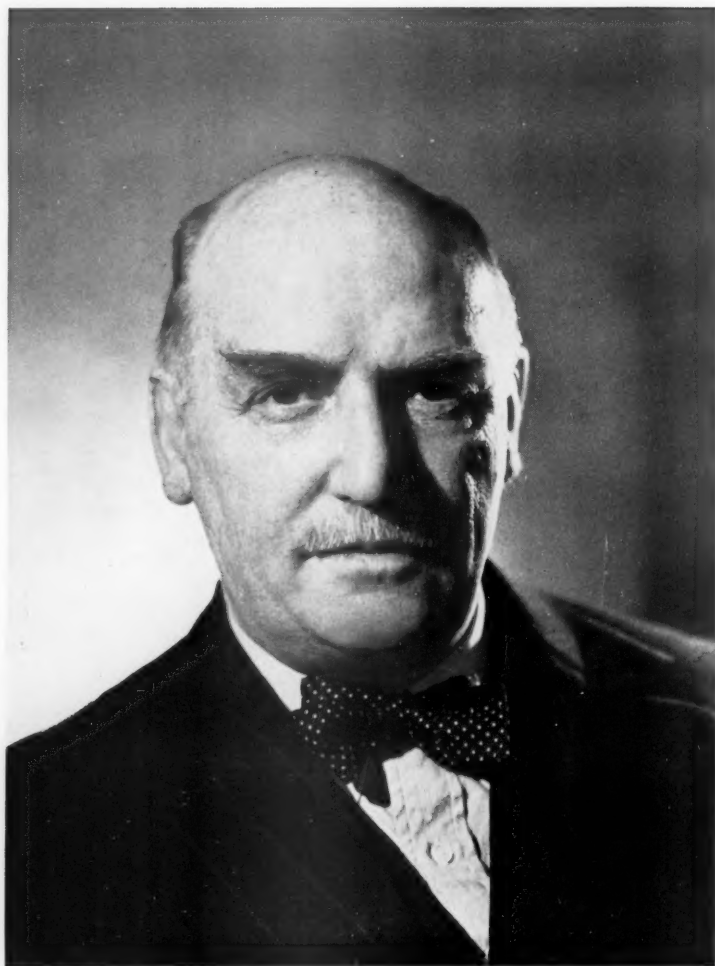
Mr. V. J. Oxley, author of the Institute's publication *Local Government Financial Statistics*, points out that a detailed analysis of the cost of education in Counties and County Boroughs is now published jointly by the Institute of Municipal Treasurers and Accountants and the Society of County Treasurers. Thus, though it is true that the latest List 50 of the Ministry of Education is for 1947-8, as Mr. Smith said in his article in the Autumn Issue (page 231), there is more up-to-date data available.



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## Arthur Street

**W**HAT was the secret of Arthur Street's greatness? His ability as a creative administrator; his zeal for the welfare of his fellow men; his loyalty; his devotion to the task in hand; his philosophy of life; his gentleness; his broad humanity; his compelling earnestness, his long-sightedness and infinite patience?

It was all of these. Eloquent tributes to his many qualities were paid by eminent men at the time of his death; silent tributes were paid by the thousands who filled St. Martin - in - the - Fields for the Memorial Service on 9th March, 1951. Attending that Service were statesmen, leaders of industry, colleagues of all ranks from the Civil Service, the Royal Air Force and the National Coal Board, and hundreds of ordinary folk who wished to remember a man who had served them, inspired them or shown them some personal kindness. If one could have fathomed the thoughts and captured the feelings of that great congregation, then indeed a worthy picture of Arthur Street could have been painted.

### Ministry of Agriculture and Fisheries

Arthur William Street was born at Cowes in the Isle of Wight in 1892 and was educated at Sandown Secondary School. At about the age of

fifteen he came to London to make a start in the Civil Service with the humble rank of Boy Clerk and at the same time to study for higher things. By the outbreak of war in 1914, he had entered the established grades of the Civil Service as a Second Division Clerk and was already making a reputation for himself at the Board of Agriculture and Fisheries. He was at the time preparing for the Higher Division of the Civil Service, but the war interrupted his studies. He joined in turn the Inns of Court Regiment, the Hampshire Regiment and the Machine Gun Corps. He served with distinction in Egypt, Sinai and Palestine; he was wounded, mentioned in despatches and awarded the M.C.

Clearly, he had already shown the qualities of leadership and devotion to duty which were to mark his career in later years. He attained the rank of Major before returning to the Civil Service at the age of 26.\* He became Private Secretary to Lord Lee of Fareham and it is again an indication of his quality that when in 1921 Lord Lee—not the easiest of Ministers to serve—left the Ministry of Agriculture and Fisheries to become First Lord of the Admiralty, he insisted on taking Street with him.

In 1922, he returned to the Ministry of Agriculture to become

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\*His subsequent career was: Principal Private Secretary to Minister of Agriculture and Fisheries, and to First Lord of the Admiralty, 1919-22; Principal, Ministry of Agriculture and Fisheries, 1922; Assistant Secretary, 1929; Principal Assistant Secretary, 1932, and Second Secretary, Ministry of Agriculture and Fisheries, 1936-38; Deputy Under-Secretary of State for Air, 1938-39; Permanent Under-Secretary of State for Air and Member and Secretary of the Air Council, 1939-45; Permanent Secretary, Control Office for Germany and Austria, 1945-46; Deputy Chairman, National Coal Board, 1946-51.

His Honours included: G.C.B., C.B. 1946 (K.C.B. 1941; C.B. 1935); K.B.E. 1938; C.M.G. 1933; C.I.E. 1924; and he was a Commander of the Legion of Honour.

Secretary of the Linlithgow Committee on the Distribution and Prices of Agricultural Produce—a subject in which the State had hitherto taken little active interest. The Report, presented in November, 1923, was a masterly achievement. In lucid phrase, it diagnosed the main ills of British agriculture. The methods of marketing were primitive, circuitous and costly. Farmers did too little to adapt their production to the needs of consumers or to prepare, grade and pack the products to suit the markets. The Report concluded that one remedy lay in greater co-operation among the producers. It led to the outstanding developments in agricultural policy that were to unfold in the next fifteen years; it initiated the Street era for British agriculture.

Soon after, a series of comprehensive studies of agricultural marketing problems—the “Orange Books”—began to flow from the small Marketing Branch of which Street was the Head. Co-operative marketing systems in this country, in Canada, in the United States; surveys of Markets and Fairs; then the commodity studies—meat, wool, potatoes, eggs, poultry, pigs, fruit, milk; every aspect of the complex problems of assembly, grading, processing and distribution of agricultural produce from farm to consumer was recorded and critically examined. It was a colossal enterprise and Street inspired, directed and, in the final stages of every Report, very largely wrote the whole series.

The momentum was growing. Next came the positive stimulus to the better presentation of home-produced goods on the home market. The statutory instrument was the Agricultural Produce (Grading and

Marking) Act, 1928. The driving force behind the “National Mark” campaign was Arthur Street. His enthusiasm not only inspired his staff, but attracted support from unexpected quarters. There were many leaders of great business enterprises in those days who gave willing help to “the cause.”

The stage was set for the developments in organised marketing which were made possible by Dr. Addison's Agricultural Marketing Act of 1931, Sir John Gilmour's Wheat Act of 1932, Mr. Walter Elliot's Agricultural Marketing Act of 1933, and the Sugar Industry (Reorganisation) Act of 1936.

Within the framework of current Government policy, Street was the official architect of all these measures.

Many years after, there was found among papers he had left at the Ministry of Agriculture the following extract taken from *The Economist* of 9th November, 1935:—

#### “THEY”

“In an age of publicity they do not court the limelight, and they prefer, as a rule, not to appear in person. In the intimacy of a room in Whitehall, their arguments will be cogent and convincing; but they do not in the ordinary course make platform speeches, choosing rather to inspire and supervise the eloquence of others than to proffer their views and policy direct to the public. They like to do their business through a middle man, remaining themselves what the lawyers call ‘undisclosed principals.’ But for all their reticence and retirement there is no speech or language in which their voice is not heard. It is heard in the precise phrases of an

Act of Parliament; in the undulating periods of an elder statesman; in the smooth pleadings of a barrister-politician; in the clarion calls of a great patriot; in the gruff pronouncements of a trades union leader; in the cultured voice of the talkie machine at the local cinema. Not one of these media will they in their catholicity disdain. But not often will you be allowed to catch the voice of Jacob in the speech of Esau."

Two threads of policy ran through this legislation. First, the Government would grant some protection—by means of quota schemes and the like—to the producers against the worst effects of the economic gale then blowing. Secondly, the producers must be stimulated to organise themselves so as to become more efficient. All this was very much in the line of Street's philosophy: don't lie down under adverse circumstances—overcome them by organisation and hard work. If he believed in co-operation and combined action, he was also an individualist. The path to economic salvation lay in individual effort. He repudiated the "feather-bed" as an economic symbol for the age. Those who need help should be given it, but the best form of help is to show people how they can do without it.

The machinery which these Acts foreshadowed and prescribed to regulate the Government's relations with the agricultural industries shows Street's flair as a practical administrator. Consider, for example, the Marketing Boards established under the Agricultural Marketing Acts of 1931 and 1933. They represent a subtle compromise between the volun-

tary and compulsory principle. They were set up under schemes which had to be approved by a majority of the producers before the Minister presented them to Parliament for approval. But once approved, the schemes had statutory force: the Boards had powers of discipline over their "registered" producers, subject to a right of appeal. They were of the guild type. Most of the members of each Board were elected by the producers themselves, but additional members were appointed by the Minister from outside the industry. While the Boards were the instruments for executing Government policy as set out in schemes made under the Acts, they could carry on their day-to-day technical functions without political interference and without involving the responsible Ministers in a "Gulliverian shower" of pin-pricking Questions in Parliament.

One piece of machinery set up under the Agricultural Marketing Acts has a very modern ring—the Consumers' Committees. These Committees, like those that were to be set up under the post-1945 nationalisation measures, had no executive functions themselves, but they could refer complaints to the Minister for action. Another interesting feature of the Agricultural Marketing Acts was the provision for Development Boards to operate schemes of development going beyond the scope of marketing alone. Here was the germ not only of the Development Councils visualised in the Industrial Organisation and Development Act of 1947, but of some of the great public corporations responsible for the affairs of whole industries, for production and development as well as marketing.

These things, however, were still in the future. Suffice it to say that when Street left Agriculture in 1938 to become Deputy Under-Secretary of State for Air, marketing organisations had been created by the producers themselves, under the enabling provisions of the Acts, and with the approval of Parliament, which—especially in the case of milk—had brought order and stability out of the chaos of the early thirties. The small seeds of the Linlithgow enquiry, in fifteen strenuous years, had been nurtured and the shoots had been trained until they had produced sturdy trees, broad-based and deeply-rooted in our British soil.

### Air Ministry

Shortly after Street went to the Air Ministry, he succeeded at the age of 47 to the post of Permanent Under-Secretary of State. He had always been a prodigious worker, but when war came he felt it his duty to do still more. He slept little, he ate at his desk, he worked into the small hours of the morning, weekdays and Sundays alike. There was a danger that this concentration on work to the exclusion of all else would narrow his field of view, but this was no ordinary work: it embraced nearly every aspect of a nation's activities at war; it brought him into daily contact with a wide range of personalities, Ministers, Service chiefs, colleagues, industrialists, diplomats and representatives of foreign countries and of the Commonwealth overseas. And Street had the gift of seeing in the shadow of office files, of policies and of cases the substance that lay beyond them. What would an instruction mean to the chaps who were doing the fighting? What would Mrs. Smith of Balham or Tooting or Bethnal

Green make of an official communiqué? He never lost the human touch; he had the imagination and the sensitivity of an artist. In considering a recommendation for the award of a Victoria Cross, he would live and re-live every incident of the action in his mind. He approached such cases with a sense of humility and was always ready to devote many hours to them if necessary. But other and wider issues might have been pressing—the future of international civil aviation after the war, the administrative arrangements for the landings in Africa, the reform of court-martial procedure, the manpower requirements of the Royal Air Force; and, since there are only 24 hours in a day, the alternative was to drop some task or cut down still more his ration of sleep. Street chose the latter.

Perhaps at the Air Ministry Street's main achievement was what he did for the Department. The rôle of Permanent Secretary in a Service Department is not the same as it is in Civil Departments. It is less spectacular, less easy to define, more dependent on personal influence and persuasion and less on the clearly-defined authority of the office than in Civil Departments. A Civil Department is largely concerned with new legislation and with administering the legislation it has itself promoted. The minds of the senior civil servants can be detected in this legislation, even though the broad policy is settled by their political masters. About 20 years earlier Street had done a spell at the Admiralty, but he had grown to maturity in the civilian atmosphere of the Ministry of Agriculture and Fisheries. At first, he found the change to the Air Ministry per-

plexing, even to some extent frustrating. He was by nature constructive; he wanted to be doing things. He found less scope for this than he liked or had been accustomed to. One result was that, like another senior civil servant who had come to high office in the Air Ministry from a Civil Department, he found in civil aviation an outlet for his constructive energies. Street, however, was too big a man not to adjust himself to his new responsibilities or to realise quickly the different approach required. It was here that his remarkable ability for working with other people, for getting his own viewpoint across, served him and the Department so well. In a Civil Department, outstanding ability can achieve results even though allied with what is commonly called a difficult character. In a Service Department, such a combination of qualities is apt to produce suspicion and friction. A great Permanent Secretary in a Service Department must be in sympathy with the outlook and character of the Service. He must be an oiler of wheels. At the same time, he must hold the strings of the public purse and, however charmingly, must on occasion hold them very tight. Street had these qualities. His quick understanding of all sides of a problem, his fairness and his down-to-earth common sense quickly won the confidence of his Service colleagues and gave him an influence far transcending that of the office he held.

In the summer and autumn of 1938, many critical decisions were being made that were to influence the course of the coming war. For example, there was the decision to launch a programme for the production of heavy bombers, which the

Air Staff were convinced would be a war-winner. Another was to build refining capacity in the United Kingdom for the "high octane" fuel on which the newer type of aero-engines relied. In all these weighty matters, it was the Air Staff in the person of a Slessor, a Tedder or a Freeman who initiated and proposed, but Street, though a newcomer, could and did in his unobtrusive way make a contribution. Always attracted by new ideas, he criticised them, adapted them, infused them with his *sens des choses possibles*; he improved and refined, but rarely sought to destroy. He had a way of taking up a forlorn cause, making it his own and eventually securing its general acceptance. The Air Staff came to regard Street as a friend to whom they could turn for guidance, inspiration and strength. But even more remarkable were the relations of trust and confidence that Street and the late Sir John Abraham established with successive Air Members of Personnel. Service officers are inclined to look on the A.M.P. as the officer responsible for seeing that the blood-sucking civil servants do not leave them with pay and allowances wholly unsuitable for their station in life. No A.M.P. can be unmindful of his responsibilities for the well-being of the Service. But the civil servant must also weigh the cost to the nation. The possibilities of friction and of worse are ever present. Street was a past-master at holding the balance. The national interest was always in his mind; but he was able to carry the Service authorities with him.

It was the same story in the Air Council. He was never flamboyant. He inherited a state of affairs (for reasons outside this brief notice) in



which the motives and tactics of the civil side were rightly or wrongly looked at with suspicion. No-one was better able than Street to deal with the situation. He was prepared to ride a waiting race. He briefed himself carefully but spoke little, and when he spoke it was always with authority. His influence grew rapidly. But he was careful not to overplay his hand. An outsider who only saw the Air Council at work but was not privileged to see the out-of-Council discussions which senior Air Force officers would seek with Street might easily underestimate his influence. But the influence was there.

Much more could be written; of, for example, Street's great part in the launching of the Empire Air Training Scheme and of his relations with the French during the period from September, 1939, to the fall of France. Partly, perhaps, because of his marriage, Street's outlook was anything but insular. He admired the French and was determined that they should be given what help was possible. Great Frenchmen like Monnet and Pléven looked on Street as one of their real friends and advocates in Whitehall; and many an Allied statesman sought his advice on things which had little or nothing to do with the Permanent Secretary of the Air Ministry. It was the same with the Dominions. Street had fought in the 1914-18 war with Dominion troops and had a high admiration for them. He had worked in Canada for a short while at the time of the Commonwealth Conference when Dominion Preference was worked out. His own early struggles perhaps gave him an instinctive sympathy with young countries who had their own way to make in the world.

Whatever the reasons, in the multifarious problems to which the war contribution of the Dominions gave rise, Dominion representatives always knew that in Street they had a firm friend and an impartial adviser. And they were not slow to appreciate and to honour.

#### *British Overseas Airways Act, 1939*

No account of Street at the Air Ministry could be complete without some mention of what he did for civil aviation, but there is only room here for a few words about the British Overseas Airways Act of 1939. When Street took over as Permanent Secretary, it had been decided that Imperial Airways and British Airways should be brought together in a single public corporation, of which Lord Reith was to be Chairman. It is fair to say, however, that until Street arrived ideas on how it was to be done had not yet crystallised. There were those who advocated a Royal Charter on the B.B.C. analogy. Street saw at once that a Royal Charter would not do. He had spent years at the Ministry of Agriculture dealing with similar problems of large-scale organisation, of amalgamation and of Government regulation. There was no fumbling. Street knew what was wanted and it was done. Here was pioneering. History will show how much the legislation of 1945-50 owes to what Street did in the summer of 1939 in the B.O.A. Bill. *Si monumentum requiris*, look at the B.O.A. Act.

Finally, and perhaps most important, Street gave endless thought to the welfare of the Department. Early in his career at the Air Ministry he was faced with the difficult and unpleasant task of importing one or two senior officers. There were

complaints from sections of the staff. Street, who had acted in the interests of efficiency, was much hurt. He was determined that if possible the same thing should not happen again. Therefore there must be a policy. Young ability must be brought on, but loyal and long service was also entitled to its reward. And above all, the right man must be put in the right job. It is as easy to state the theories as it was hard to apply them in practice; the task called for patience, foresight, opportunism and tolerance. What he would not tolerate was slipshod work, dishonesty and flashiness. Only those closest to him ever knew how many long hours, even when official work was hardest, he devoted to the interests of his colleagues.

More perhaps than in the case of other Departments, a Permanent Secretary of a Service Department requires a period of years to make a real imprint on the Service with which he is associated. It is no exaggeration to say that Street transformed the Air Ministry and that his influence in the Department—and in the Ministry of Civil Aviation and in those parts of the Ministries of Defence and Supply which have sprung from the Air Ministry—will continue in undefined ways for many years to come. No-one who worked closely with him could avoid being moulded by him. In time, he would have done much the same though in a different way for the Air Force. But it was always obvious that when peace came he would be wanted for other things.

Before peace came, he suffered personal tragedy. His youngest son was one of the 50 Air Force officers who were shot by the Gestapo after they had been caught escaping from

the prisoner-of-war camp known as Stalag Luft III. Street was sitting in his office at the Air Ministry one Sunday afternoon studying the latest batch of telegrams from the Foreign Office. One from Berne told of information received from the International Red Cross about the incident. It ended, "Next following telegram contains list of victims". He turned to the next telegram and found his son's name. Although he was stricken with grief, he wrote at once to the relatives of the others to try and console them, and indeed he kept up the correspondence until his death. He remarked at the time that when the war was over he would feel that he owed it to his son to have some hand in shaping the rehabilitation and reconstruction of Germany.

### The Control Commissions

In fact the first job he was wanted for after the war was to set up a new office in London to administer the British elements of the Control Commissions for Germany and Austria. In the autumn of 1945, he became Permanent Secretary of the Control Office for Germany and Austria, which is now part of the Foreign Office. The new Department, with headquarters in St. James's Square, at Norfolk House, was not then under Foreign Office Ministers but under the Chancellor of the Duchy of Lancaster, who was made responsible for British policy in Germany and Austria. It was a big thing organising the Office in London, bringing together key staff, getting to grips with the administrative problems of the Control Commissions and all the difficult questions of policy arising from this first essay in quadripartite government of the centre squares of the European chess

board. The task of organisation was to weld together the various departmental staffs which had been acting as liaison officers with the Control Commissions overseas and to create a central power-house of policy. But while the Office was being organised, there was much pressing business which had to be attended to, and attended to quickly. The output of Cabinet Papers and the input of Parliamentary Questions of this new and small Ministry must have been more than of many older and well-established Departments. There was first of all a food crisis in the British zone of Germany and immediate action had to be taken to prevent starvation in our zone. There were heavy negotiations to be conducted with the Russians and with the Americans and the French about the future level of German industry, Finance was a burning question. The British taxpayer was contributing about £80 million to the upkeep of the British zone and somehow or other the burden had to be reduced. There was the business of de-nazification and policies had to be settled in consultation with the Allies, not all of whom took the same view of what was intended by the Potsdam and Yalta Agreements. Contacts were made with the democratic parties in Germany and discussions were started about the scope of new electoral laws and so on. At the same time the Control Commissions themselves were changing their character. More and more of the serving officers on the staffs were returning to civil life and others had to be appointed in their place; section by section the Commissions were being "civilianised" and this involved problems of recruiting and "administering" (in the Army sense of the term) a

new Control Service. Street threw himself with zest into all this work and, it need hardly be said, was on excellent terms with the senior officers of the Services responsible in the field for administering Military Government in Germany and Austria.

### National Coal Board

Hardly was he launched upon this new career when he was diverted to another. Only a few months after going to Norfolk House, he was asked by the Government to be Deputy Chairman of the first National Coal Board on its formation in the near future. He regarded this as a normal Service posting, but in fact it meant that he had to leave the Civil Service, though for "approved employment"; characteristically, he refused the much higher salary which the Government had attached to the post. After discussion, he was persuaded to accept the same salary as his junior colleagues on the Board, but he would not accept any more than they had.

His spell at Norfolk House had been a breath-taking round of organisation, travel, conferences and diplomacy, and in July 1946 he went from there straight to the National Coal Board and took up at once the new and heavy burdens that lay in wait for him. There was no relaxation of effort. The tempo was increased. In the first five years of coal nationalisation, which were also the last five years of his life, he certainly did as much as ten other men could have done. There are many who think that at the National Coal Board Street did his greatest work. In a sense, the Deputy Chairmanship of the first National Coal Board was the logical culmination to his career. For more than

three decades he had played a part, and often a leading part, in developing and shaping new instruments of government to suit the changing conditions of the 20th century. The National Coal Board was at the end of a road on which the Agricultural Marketing Boards and the British Overseas Airways Corporation were staging posts. In a revealing essay published shortly before his death by the Institute of Public Administration, he has traced the development of the so-called quasi-Government bodies since 1918 and in particular those by which the Government sought to establish new relationships between the State and industry. Again and again as the discussion ranges from agriculture to airways and from the Services in war to coal, dealing now with problems of large-scale organisation, now with economic planning, now with constitutional questions of the relations between Boards and Ministers and Parliament or with human relations and morale in industry, or with mingling the traditions of public service with the flexibility and enterprise of industry—at all these points history and autobiography are merged.

By experience and inclination he was well-suited for the tasks in hand at the National Coal Board. The fact that mining was hard and dangerous appealed to one side of his character. At the Air Ministry, he had derived satisfaction from knowing that his work was indirectly of help to the young men who, in one of his own phrases, "flew and fought and died that England might live." And at the National Coal Board he undoubtedly felt that the men who worked the coal and experienced dangers in the service of their country were, like the men of the

Armed Forces, entitled to special regard from the rest of the community. He was deeply interested in the human problems of the coal industry. Labour relations in the industry were traditionally bad. He believed that it was possible, through fair dealing and wise leadership, to restore the morale of the new national service. The leadership which he preached was poles removed from the tyranny of the jackbooters. On one of the last occasions on which he spoke in public, he said, "Leadership which depends for its authority on brute force, is not true leadership; it is tyranny. Democratic leadership involves getting to know people, understanding their ambitions and their troubles, showing them what they must do for the common good and encouraging them to give of their best for the sake of others."

With his Civil Service background, he saw it as the plain duty of the National Coal Board to be a stern guardian of the public finances with which they were entrusted. He took it as axiomatic that one of the main jobs of the Coal Board was to keep down costs and to hold the balance between the claims of the mine-workers and those of the rest of the community as users of coal. Yet he found it congenial, when circumstances justified it, to have a hand in measures for improving the lot of the mineworker. The special schemes for additional compensation in cases of injury and for additional pensions in the coal mines could only be justified, in the difficult post-war years, on strong economic grounds; but it was as a humanitarian and not as an economist that he welcomed them.

He believed in the device of the public corporation, which he had helped to develop, as the means for

executing the new economic policies of Governments; and he was anxious to help in building a new public service to serve these corporations with traditions and standards no lower than those in the older public services. He wrote recently of quasi-Government bodies, including public corporations, "They are all projections of Government and they have a clear purpose which they share with Government Departments, the Armed Forces and Local Authorities, to serve the public to the best of their endeavours. While no-one would claim that the employees of quasi-Government bodies should live as ascetically as monks or as impecuniously as Plato's guardians or that personal ambition, within legitimate bounds, should not spur them to greater effort, yet the mainspring of action should not be hope of gain alone. There is a more profound source of inspiration, call it *esprit de corps* or patriotism or the ideal of public service or more simply the desire to live a useful and not merely selfish life. In time of war or national danger, it has often released vast reserves of hidden energy. So now, day by day, it should shape the traditions and codes of conduct of the new public services as of the old . . ."

His experience in agriculture had led him to believe in the possibilities of economic planning for a whole industry. For many years, the various problems of investment and price policy, for a national monopoly, had been studied in the universities. The emergence of the newly-nationalised giants, of which coal was the first, meant that the time had come to translate theory into action. But the long-term planning of the coal industry was not a matter of economics

alone. A big task of physical reconstruction faced the industry. In this work of long-term planning and reconstruction, leading to the publication last October of the National Coal Board's *Plan for Coal*, Street's influence was marked. The main credit for producing the Plan must lie elsewhere, but as so often happened with Street, he encouraged and he inspired and, though because of his tremendous industry he was thought to be a glutton for work, he was more than content when a good job was well done by others. The reconstruction of the industry was a cause he had much at heart. It was part of his philosophy that persons—and industries that are collections of persons—should be encouraged to pull themselves up by their own bootstraps.

Street at the National Coal Board shared his responsibilities with the Chairman, Lord Hyndley, and his other colleagues on the Board. This is not the place to attempt an assessment of what the first National Coal Board have done. It is, in any case, too early to make a reliable assessment. For nearly the whole of their five-year life, they were in the centre of a political battleground and the smoke has yet to clear away. There is, however, much to be put to the credit side of their account which even their fiercest critics would not deny. The take-over of the industry in January, 1947, only six months after the new Board were constituted, was itself a considerable achievement; it was necessary to avoid interruption in supplies from the thousand units of which the industry was composed and it was necessary to create immediately a directing structure to replace the colliery managements which went out of action on the Vesting Day.

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There can be no doubt either about the progress made in improving relations between management and men in an industry long torn by faction and strife. Coal output may still be disappointing in relation to the vaulting requirements of the home industries, but the fact remains that seldom in the history of mining has output increased so much and so steadily over any period of five years; and in the fields of price policy, reconstruction and long-term planning, the first National Coal Board have perhaps been able to point the way to their successors in coal and to other industries. Where there is collective responsibility, it is not easy to pin-point the achievements of any one man, though it is obvious that, as Deputy Chairman, Street played a major part in the Board's affairs. Lord Hyndley has said, "Whatever success we may have achieved is due in very large measure to his almost superhuman industry and his unfailing cheerfulness and sympathy."

With his experience and prestige, Street brought to the Coal Board in their early days an indispensable element of stability. He was not swayed easily by the political gusts which blew from all quarters. He was pretty sure which way the Board should go and was determined that they should not be pushed off their course. His confidence was infectious. The miners' leaders and the leaders of the other employees' organisations knew him as a friend. His own leadership, never obtrusive, and his deep sense of loyalty to Lord Hyndley personally, to the Board and to the industry, evoked a response in every part of the industry. At Hobart House it was felt more particularly and more directly. His

colleagues on the Board trusted and respected his judgment. In an organisation built up from diverse elements and necessarily divided in its early days by departmental and professional loyalties, the different Departments each seemed to regard the Deputy Chairman—as they did the Chairman—as their particular friend in high places. By taking an active interest in the affairs of all the departments, he managed to convey the impression to each departmental staff that he was especially interested in its affairs. When there were disagreements, he was often called upon to resolve them; he was no paperer of cracks and usually gave his decision one way or another. But such was his standing that a man who had been overruled would go away feeling that the right decision had been made.

There has been some criticism of Civil Service methods at the Coal Board, and since Street was himself an ex-Civil Servant and was close to the centre of affairs at the Coal Board, some of the criticisms may have seemed to those outside the industry to have been directed at him personally. But Street, like many other Civil Servants, past and present, was nothing like the popular comedian's idea of one. He wrote clear, simple English that was free of official jargon. He had a warm personality and a dislike of bureaucratic attitudes and rigidity. Some of those who spoke of Civil Service methods at the Coal Board in the early days were perhaps reacting against the methods necessarily adopted by organisations which grow beyond a certain size, whether they be oil companies, insurance companies, banks or Government Departments—where, to take only a small example, there is a



need to deal by correspondence with branches that cannot be visited in person daily without an inordinate waste of time in travelling. Be that as it may, very few people inside the organisation ever thought of Street as a bureaucrat and those who were most strongly opposed to the Civil Service and all its ways were often at pains to make it clear that they did not include Street within their strictures. Street himself was always proud of the Service to which he had belonged.

It was outside the industry rather than inside that on occasions Street became a figure of controversy. The organisation of the nationalised coal industry was one controversial topic which involved not only Street but the whole Board. This is not the place to stir up the five-year-old arguments about the precise form of the administrative structure suitable to the coal industry. The critics have published their views more than once; the National Coal Board have published an authoritative statement of their side of the case in their Report for the year 1948. History will decide between them. Street's approach was empirical rather than theoretical. He believed quite simply that the form of organisation was best which worked best, irrespective of what it might look like on paper. The men in an organisation and the spirit informing its activities mattered more than theories of structure. For the rest, it was a question of experience; the Board started off by borrowing the experience of other large organisations like Government Departments, like Unilever, like the Services and like General Motors and they moulded and re-moulded their organisation in the light of their own experience of its working in the coal industry. Street has made it

clear in some of his published writings that he regarded the whole controversy as somewhat sterile and even unimportant by comparison with the coal industry's much bigger problems of engineering, economics and industrial psychology.

### Other Work

In this condensed account of the career of one of the great men of our age, there has been no space to touch on many of his activities; for example, of his work for the National Whitley Council, or for the Institute of Public Administration, of which he was a Vice-President, or his Secretaryship, in 1923-24, of the Royal Commission on Superior Civil Services in India, or the part he played in many international conferences like the Washington Disarmament Conference of 1921-22, the Ottawa Conference of 1932, and the Commonwealth and International Civil Aviation Conferences at Montreal and Chicago in 1944; or of the work he did behind the scenes on committees of Permanent Secretaries charged during the recent war with sketching out the shape of things in the post-war world to come.

He had a commanding presence and personality. Most people who met him, if only for a few minutes, were charmed and impressed. His powers of persuasion were legendary, yet he rarely seemed to argue or engage in controversy. He had the gift of making people say the things he wanted them to say and then they felt often that they were making their own suggestions. There were occasions when "tough" business men would come out of his office wondering why they had agreed to settlements so unfavourable to their pockets. But he never tried to persuade anyone of anything he did



#### ARTHUR STREET

not believe to be right. Rank or official status meant little to him. It did not matter who you were, he would listen to you patiently and with an open but alert mind. He was always good company and whether he was talking to a Prince or a miner, a Minister of the Crown, a Marshal of the Royal Air Force or a messenger or chauffeur, he was just the same—courteous, interesting, humorous and infectiously enthusiastic for the causes to which he devoted his life's work.

He was happiest and at his best dealing with large problems and doing constructive things. The Marketing Acts, the B.O.A. Act,

international civil aviation, the Coal Board—there is a line running through them all, a line that represents the main achievement of Street. And what an achievement.

There was a day in the darkest period of 1940 when Keynes phoned Street and said, "Come and have lunch and let's talk about things. I want to hear some of your poetry." The things he wanted to talk about were the ordering of the world when peace returned, things like U.N.O. and the International Monetary Fund. Keynes could see, as Beethoven saw in Schubert, that he had the genuine flame.

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# Problems of Nationalised Industries

By THE RT. HON. LORD CITRINE, P.C., K.B.E.

*This is the Sidney Ball lecture delivered in Oxford on the 30th October, 1951. Lord Citrine has been Chairman of the British Electricity Authority since it was established in 1948 and previously was a member of the National Coal Board.*

THE problems of nationalised industry are many and varied, and it would be impossible in the scope of a single lecture adequately to examine them. The most that can be achieved is to concentrate on a few of the major problems.

Certain of the problems of nationalised industry are common to large-scale industrial enterprises, whether privately or publicly owned. To some extent these are accentuated in nationalised industries because of their greater size, each covering, as it does, a whole industry. The fact that the industries are publicly owned and are ultimately responsible, through a Minister and Parliament, to the people, does create additional and different problems from those with which private industry is faced.

Although there are material differences in the structure of the various nationalised bodies, so much so that scarcely any two of them are identical, there are certain common features characterising the legislation which brought them into being.

They are public corporations, endowed with a considerable measure of independence of the Government, and are expected to operate on broad commercial principles. They are very different from the earlier form of state ownership operated through a Government Department, such as the Post Office, although there is still a considerable amount of confusion on this point in the public mind.

Their broad structure, functions and responsibilities are laid down by Parliament, their administration is

entrusted to Boards appointed by the appropriate Minister, and the Minister in every case retains a general oversight of the work of the Boards. They must consult him on certain aspects of their work, and he may give them written directions on matters where the public interest is affected.

The evolution of the public corporation type of organisation shows unmistakably the desire to ensure that the nationalised industries should be able to operate free from undesirable political restrictions, whilst at the same time preserving an ultimate responsibility to Parliament for their general policy and operation.

In the pre-war types of public corporation, none of which was comparable in size to those created in the post-war period, the characteristic of quasi-independence was more strongly marked. In all the public corporations established since 1945, increasing power has been vested in the appropriate Minister in respect of the personnel, policies, and programmes of the Boards, the exercise of their financial powers, and the provisions for the representations of consumers and the public on matters of policy and complaint.

More detailed prescriptions as to the structure and conduct of the industries have been laid down in respect of the industries and services nationalised since 1945 than was the case with their smaller predecessors. Their functions have been more precisely defined and their accountability to the public increased.

### Problems of Transition

Most of those industries prior to nationalisation consisted of many separate units which, by the process laid down in the legislation, were consolidated into what may be regarded as substantially single units. In coal there were some 800 separate colliery companies. In electricity there were 362 municipal and publicly owned bodies, in addition to 179 companies, and in gas 1,037 undertakings which were transferred to national ownership. In transport, despite the considerable measure of concentration which had taken place before the advent of nationalisation, there were in certain sections, particularly in road transport, many comparatively small bodies which had to be placed under the control of the Transport Commission.

The process of transferring these organisations to public ownership and consolidating them into far larger units was a formidable task which necessitated a good deal of improvisation. The legislation certainly provided guidance as to what was to be done, but the detailed methods had to be evolved by the various Boards. That this was accomplished with an almost complete absence of friction, says much for the care and forethought devoted to the subject by the various Boards prior to the actual transference and for the measure of co-operation which was provided by the many affected interests.

I have been associated with two Boards, i.e., the National Coal Board and the British Electricity Authority, and in both cases the transference was accomplished with great smoothness. This is all the more remarkable when one remembers the controversy which

preceded the passing of the legislation. The method employed in both these cases was similar. Some months before nationalisation took place, the appropriate Minister had already designated persons to plan the general structure of the organisation which would be required to operate the industries under public ownership. It was a conscious aim of both of the Organising Committees of which I was a member, to make the organisations sufficiently flexible to be capable of adaptation in the light of the experience which would be derived from actual operation under public ownership.

Profiting by the experience derived from the Coal Board, it was resolved in the electricity supply industry that a review of the organisation should be undertaken at the end of the transitional period. It was emphasised that there must be a readiness to profit by the experience of the transition, and a real effort was made to stimulate a desire on the part of all concerned to establish the most efficient form of organisation. It was recognised that whilst keeping within the framework laid down by the legislation, the Boards were in a state of evolution which required a systematic review at the end of the transition. Certain changes have already taken place in the coal mining industry, and in electricity supply a committee has been reviewing organisation and methods.

I must not be taken to imply that anything in the way of a drastic change was envisaged. One of the greatest handicaps to overcome in the process of transition was to reconcile people to the inevitable changes accompanying nationalisation. It would be inimical to the best interests of the industry to create a state of

uncertainty, with consequent anxieties for employees who have loyally accepted the changes that Parliament has prescribed. What is aimed at is a steady improvement in those organisational, administrative and operational methods which are entirely within the control of the Boards. Abrupt change is disliked by most people and sometimes means arresting beneficial developments. Throughout the transition period the policy of the Electricity Boards was to avoid such changes and the making of irrevocable decisions. They sought to conclude provisional agreements of various kinds which, whilst avoiding the creation of the uncertainties I have mentioned, gave an opportunity for the review of such arrangements at an appropriate time.

### Variations in Structure

The broad structure of each of the nationalised industries has been laid down by Parliament in the separate Acts. The first thing that strikes the observer is their diversity. In the coal industry only a central Board was created. There was no provision for devolution, but the National Coal Board itself created eight Divisional Boards (now nine) which, in turn, were divided into areas.

In transport a central Commission was established with policy-making powers and ultimate financial responsibility for the whole industry. The Transport Commission did not conceive it to be its duty to discharge executive functions, nor were its members expected to exercise functional responsibilities. Separate Executives for railways, docks and inland waterways, road transport (since replaced by Road Haulage and Road Passenger Executives), London transport, and hotels were appointed

by the Minister. The Executives are in substance the agents of the Transport Commission discharging such functions as the Commission delegates to them.

In electricity supply a Central Authority was appointed with direct responsibility for carrying on the generation and transmission of electricity. Distribution was, however, entrusted to fourteen Area Boards, exclusive of the North of Scotland Board which is a separate entity. Each of these Boards is a statutory corporation whose members are appointed by the Minister. Ultimate supervision and control of financial policy for the industry as a whole rests upon the Central Authority.

In the gas industry there is a central Gas Council and twelve Area Boards, each of these bodies being a statutory corporation. The Gas Council is composed of the Chairmen of the twelve Area Boards plus a Chairman and Deputy Chairman appointed by the Minister of Fuel and Power. The Gas Council is based on the fundamental conception of a central advisory, promotional and co-ordinating body which advises the Minister on matters affecting the industry as a whole, and promotes the efficient performance by the Area Boards of their functions.

In the iron and steel industry an Iron and Steel Corporation was appointed. The individual companies continue in existence and are not merged into the Corporation. The Directors of the Companies are appointed by the Corporation which holds all the securities in the Companies and controls their affairs.

The different structures provided for in the Nationalisation Acts are no accident but reflect the predominating

characteristics of the respective industries. The Coal Industry is primarily concerned with the function of working a valuable wasting asset, the exploitation of which must be planned on a national scale in the interest of economic working. In electricity supply there are sound technical reasons for placing the generation and bulk transmission of electricity in the hands of a single authority, but the function of distribution to consumers can best be done regionally. In the Gas Industry, where both production and distribution are more localised for technical reasons, the case is strong for setting up separate Regional Boards which combine the two functions, with a central body exercising a co-ordinating function. There are equally good reasons for the kind of structures adopted in the other nationalised industries.

The examples I have given illustrate both the variety of forms which nationalisation has taken and the difficulty of generalising.

### The Problem of Size

One of the criticisms most frequently levelled at the nationalised industries is that they are too big, unwieldy, and that the power of decision is too remote from the points of operation. Size does, of course, bring its own problems, and those in control of the nationalised industries can undoubtedly derive some benefit from the experience of large private undertakings such as Unilever and Lever Brothers, the Imperial Chemical Industries and others which operate on a similar scale.

At first sight the Transport Commission, controlling the destinies of nearly a million employees, the Coal

Board with some seven hundred thousand workers, and the Electricity and Gas industries with about a hundred and seventy six thousand and a hundred and forty thousand respectively, seem of gigantic stature. It must be remembered, however, that all are broken down into much smaller units. Each of the Executives under the Transport Commission is in substance the employer of its own workers. Similarly, the mine workers in the nine Divisions of the National Coal Board may be regarded as employed by the Divisions and Areas. In the case of electricity and gas, whose employed personnel is considerably less than in transport and coal, each of the Boards employs its own personnel. Viewed from this angle the problem of size becomes less intractable, although still formidable.

The largest employer amongst the Electricity Boards is the London Board, with a staff of some eighteen thousand, and the smallest is the South-East Scotland Board with less than three thousand employees. The biggest employer in the electricity supply industry is the Central Authority with some forty-six thousand employees. These, however, are broken down into geographical Divisions for administrative and operational purposes which, with the exception of London (some nine thousand employees), average two thousand eight hundred employees, the smallest being under seven hundred. Amongst the Gas Boards the largest employer is the North Thames Board with under twenty-three thousand, the smallest being the Gas Council itself with under two hundred employees.

The salaries and wages of the employees of nationalised industries



are determined by collective bargaining between the respective Boards and the trade unions, based usually upon national agreements which undoubtedly encourage an impression of remote control. This impression is not peculiar to nationalised industry alone, and the point will be further dealt with when I come to consider relations with labour.

### **Centralisation or Decentralisation**

Generalisations about centralisation or its converse are apt to become somewhat academic. Some people are inclined to regard decentralisation as meaning the transference of power to themselves, but without any necessity to pass it further down the line.

Centralisation is not a phenomenon of nationalised industry. It is an inescapable consequence of economic forces and is a common feature of large-scale organisation of all kinds. In an era of planning few would deny that central co-ordination and a considerable measure of uniformity in operation is essential. With a given volume of available resources in men, money and materials, a suitable policy has to be formulated which will permit of their most efficient utilisation. Some central authority must have vested in it the powers to ensure that a policy programme is formulated with the most expert advice, and is carried out in the most efficient manner. Hence the most highly qualified of the experts and specialists tend naturally to be found at the centre where policy and its execution is planned, and where their services can most economically be employed.

Nationalisation presupposes the planning and co-ordination of the

industry as a whole. Furthermore, if responsibility for the conduct of an industry is placed upon a central body, there are obviously limits to the extent to which it can delegate this responsibility without fear of incurring undesirable and serious consequences. Granted the need for planning, it is a matter for discretion and the exercise of judgment as to how fully this should be carried out in detail. It is almost impossible for perfection to be reached, and some allowance has to be made for contingencies which cause a divergence from the plans laid down. Improvisation has been described as the enemy of organisation, but the best organisation must contemplate situations in which some departure from plans may be necessitated by unforeseen and unpredictable circumstances.

Much depends upon the manner in which the plans are formulated. Usually preliminary surveys are essential, and every effort should be made to ensure that those who are required to carry out the ultimate plans have a voice before the final decisions are reached. Hence it is that most of the nationalised industries have had recourse to the well-tried system of consultation, whether by conference, committee, or personal discussion. I know that in certain quarters conferences are looked upon as a waste of time. It is thought that they impair the power and freedom of decision of those occupying the posts of highest responsibility.

I challenge the view that any large scale organisation can be effectively administered without recourse to committee and conference methods. Further, I affirm that the bigger the organisation the more essential do these methods become. One often hears charges of bureaucracy levelled



against large public undertakings. But the method of consultation is itself a very healthy antidote to bureaucratic tendencies. The purpose of a conference is primarily to explain and to exchange ideas, so that those who eventually are required to make decisions do so in the full knowledge of the views of those who have to operate them. The common-sense thing to do is to strike a proper balance and to find a method of providing adequate consultation whilst, at the same time, ensuring that the power of those in authority to make up their minds quickly and decisively on all essential matters is not impaired.

The inherent objection to centralisation is that it involves a sacrifice of autonomy by persons and units within the organisation. In Great Britain, perhaps more than in most countries, there is an instinctive resistance to this. British people prefer to have direct control over the things that affect them irrespective of whether those things may be done less efficiently than at some higher level. The same tendency is encountered in the political field in the demand for the devolution of governmental functions.

The tendencies of the last fifty years appear, however, to have been in the opposite direction, and what we are now experiencing in the condemnation of centralisation is in some respects a protest against this tendency. Sometimes this rests on the shaky foundations of local prejudice, but more often than not it is a healthy and natural assertion of individuality. British history has shown the desire to organise the community with a minimum of interference with the individual. Hence it is that in the realm of economic as in political

organisation there is a demand for decentralisation.

In a big organisation this is only possible within comparatively narrow limits, and it is not practicable to lay down, particularly in the early days of organisation, what measure of devolution will ultimately prove to be the best. Nonetheless the desire for a measure of self-government by the units within a large industrial organisation is a natural, instinctive one for which provision must be made.

A certain amount of uniformity is inescapable, right throughout the organisation. In gas and electricity, the Area Boards have practically complete autonomy over their day to day affairs. The possession of autonomy is, however, one thing. Its exercise is another. If autonomy is actively exercised it usually leads to some diversity from what is done by one's neighbours. Naturally, those making the decisions take into account what their neighbours are doing, but if there is any substantial divergence it is not long before there arises a demand for the generalisation of the best policy and practice wherever it is to be found. Time and time again central bodies in the nationalised industries receive communications urging them to interfere with the autonomy of a particular Area Board often in detailed matters in which the central body has no status. This is usually demanded in the interests of "co-ordination," a less objectionable term than "uniformity."

Neither centralisation nor decentralisation can furnish a complete answer to any problem. A balance must be kept between them, and this balance can only be discovered in practice and some few years must elapse before this is found. The measure of initiative which is to be

left in the hands of local or area officials and employees operating within the broad policy of the undertaking, can only be ascertained by some measure of trial and error. Clearly, if too many decisions are taken at the top the organisation will tend to become inflexible, and the initiative and enthusiasm of subordinates will be damped and frustration creep in. The risks of making mistakes must be faced in trying to avoid this.

Decentralisation, then, may be taken as the aim of nationalised industry to the extent to which this can safely be done without impairing the efficiency of the industry and the responsibilities of the central body.

### Public Accountability

The nationalised industries possess great power and are of vital importance to the economic and social well-being of the community. It stands to reason that in these circumstances Parliament is anxious to ensure that the community is obtaining the efficient service it is entitled to expect.

A good deal of attention has been given to this subject of public accountability, and as to how such assurance can be best secured. With the ordinary private company the Annual Accounts are usually regarded as providing an efficiency test, but where monopolies are concerned, whether they be private or public, they would not be accepted in any responsible quarters as the sole test of efficiency.

It would not be correct to assume that Parliament is without any sort of assurance of the efficiency of the nationalised bodies. It is too often thought that competition has been

completely abolished by nationalisation, but in coal, gas and electricity a very active, if not always obtrusive, competition is carried on, on the basis of the consumer's right to choose which of these services he prefers. Competition between gas and electricity is traditional, and it has certainly not been extinguished or abated by nationalisation.

The prices charged to consumers, whether domestic or commercial, are competitive between the gas and electricity industries. Gas and electricity are also strongly competitive in the industrial field of process heating—so much so that the final choice of the consumer frequently depends not on the cost of the gas or electricity itself but on such factors as temperature regulation, maintenance and labour costs, and elimination of the products of combustion. Even as regards motive power, electricity is in a sense in competition with coal and oil, as the manufacturer is free to install his own plant and there is no reason to debar him from doing so if thereby he can achieve either lower costs or improved service.

Furthermore, there is a natural tendency among the Area Boards and other units within the industry to compete with one another in achieving the best results, whether financial or as related to efficiency of service. Statistics are now available about the nationalised industries to a far greater extent than was customary in private industry, and the wealth of the published data naturally impels each of the Boards to wish to excel its neighbours. It should be reasonably ascertainable from the published statistics as to how far this is being attained by any particular Board, and economists, leader writers and public

men of various descriptions have not been particularly reluctant to comment on the alleged delinquencies of the nationalised bodies.

There is also a very effective spur to efficiency in the Consultative Councils representing consumers which have been set up for most of the nationalised industries. In gas and electricity there is such a Consultative Council drawn from local authorities, industry, and other sources to whom the plans of the various Boards have to be submitted. These bodies have it within their competence to deal not only with complaints from consumers but to raise with the appropriate Area Board any matter concerning the operations of the Board. If they are dissatisfied with the result of representations made to an Area Board, they may make complaint to the central body and eventually to the Minister.

In the case of coal an Industrial and Domestic Consumers' Council, respectively, have been set up nationally, each representative of the Coal Board and consumer interests. Each Consumers' Council may appoint Regional Councils but no such Councils have yet been appointed.

With regard to transport, the Act provides for the setting up of a Central Transport Consultative Committee and Area Transport Users' Consultative Committees, the functions of which are broadly in line with those for the other nationalised industries cited above. Transport also have to run the gauntlet of full enquiry by the Transport Tribunal whenever it is desired to revise transport charges.

All the Councils are required to submit an Annual Report to the

Minister for presentation to Parliament.

The Consultative Councils are infinitely more active and diligent in carrying on their functions than is sometimes recognised, and they provide a healthy check upon any possible misuse of the powers possessed by the nationalised Boards.

Nor should it be overlooked that the employees of the Boards have a right by statute to concern themselves with the efficient operation of the Boards. The importance of this provision will increase as the employees and their trade unions gain experience in the use of this facility.

Surely it cannot be argued, having regard to the powers of the Ministers, the Boards' accountability to Parliament, the published and other statistics provided by the Boards, the competition between different industries, the scrutiny of the Consumers' Consultative Councils and the right of the employees to concern themselves with questions of efficiency, apart altogether from their Annual Accounts, that the public are entirely without any assurance as to the efficiency of the nationalised bodies.

There is undoubtedly a feeling that Parliament must concern itself more in the future with the activities of the nationalised industries than it has done in the past. Apart from the yearly review of the Annual Reports and Accounts of the Boards, Parliamentary discussion has been limited, with the object of avoiding trifling day-to-day matters, occupying the time of Parliament, and handicapping, and to some extent stultifying, the activities of nationalised industries.

What changes may take place in the future it is not now possible for me to foresee, but I think we may expect to find an increasing range of subjects concerning the nationalised industries being brought under parliamentary discussion. The last ruling of the Speaker\* evidently implies that anything the Minister himself may have directed the Boards to do, or alternatively anything which the Minister had the power to direct the Boards to do and did not so direct them, can be brought under review by Parliament. Having regard to the considerable powers that Ministers possess in respect of the nationalised industries, as time goes on precedent after precedent may be set which will enable Parliament to discuss questions which have not hitherto occupied parliamentary time. It may properly be argued that parliamentary discussion at the best could only be general in its character, and consequently various other methods have been suggested by which the affairs of the nationalised industries could be more closely examined.

It has been suggested that this might be done by a Select Committee of Parliament with an expert staff. It is questionable whether, owing to nationalisation being still a matter of acute political controversy on which the major political parties have taken a decided attitude, this could at present lead to the most satisfactory results.

Another proposition is that the activities of the Boards shall be brought within the purview of the Monopolies Commission, but that seems directed more against the possible abuse by the Boards of their

powers than to an examination of their efficiency.

Another proposal that has been made is for the establishment of what has been described as an "efficiency audit." This apparently envisages the setting up of a body of industrial consultants and highly-qualified business men whose function would be to investigate the operation of particular nationalised industries and to give advice on matters of management and operation. The nationalised industries will naturally avail themselves of the services of industrial consultants within the sphere of their competence. That is, however, an altogether different matter from the creation of a super body which could survey and advise upon the organisation, administration and operation of the nationalised industries as a whole.

There are powerful objections to the institution of such an arrangement. The most important of these is the undermining of the authority and sense of responsibility of the Boards. They have been composed in every case by the Minister of persons who appear to him to have the requisite knowledge, experience and capacity to discharge the functions Parliament has entrusted to the Boards. It would create a lack of confidence not only in the members of the Boards themselves but in their staffs, and there would be a strong tendency on the part of everybody to play for safety. This would lead to a disinclination to accept responsibility, and once started such a process might easily shatter the initiative of people otherwise ready

\*On the 12th November, 1951, the new House of Commons were informed that they would be asked to agree to the appointment of a Select Committee to investigate this problem.

to accept responsibility. A safety-first mentality could easily become the most deadly enemy of efficient administration.

It is not an exaggeration to say that under normal circumstances it is not easy to secure people who will exercise real initiative and responsibility. There is always a tendency in big organisations to think of how one's actions will affect some other section of the organisation. That is a healthy and natural restraint, but within that broad, qualifying factor the Boards have been doing everything they could to stimulate the initiative of their staffs at every level. In the nationalised organisations a balance must be sought between the thoroughness and reliability of the civil service on the one side and the most efficient and flexible business practice on the other.

The nationalised Boards have been in existence for a comparatively brief period, and they are evolving principles as they go along. There is already a measure of co-ordination amongst them which enables experiences to be interchanged. It will be several years before anyone can be regarded as an authority in respect of organisations of such a size and complexity. No doubt in time experts will be produced from the Boards and their staffs who can be utilised in some form for the giving of advice whilst avoiding the danger of undermining the responsibility of the Boards and harassing and disheartening their staffs.

Meanwhile, what is to be done to satisfy the desire of Parliament for greater evidence of the efficiency of the Boards? One suggestion is the appointment of a parliamentary body which could make periodical en-

quiries into nationalised industries. A precedent has been established in the case of the British Broadcasting Corporation whose activities are examined when its Charter comes up for renewal.

As the years go by it is to be hoped that the work of nationalised industries will become less acute as a subject of party political controversy. In that setting a periodical enquiry at fairly long intervals might easily provide a reasonable solution to a problem, the reality of which is recognised by the nationalised Boards.

### Relations with the Public and Employees

Some of the nationalised industries are in much more direct contact with their individual customers than others, but all of them have a similar broad responsibility to the public. All of them desire to preserve public goodwill by the speedy handling of complaints and by the provision of the best service that circumstances will permit.

One of the greatest problems which the nationalised industries have to solve is how best to keep the public adequately informed of their activities. The newspapers cannot devote sufficient space to an objective account of the activities of the Boards. The Annual Reports of the Boards, running into some hundreds of pages, can be expected to reach only a comparatively few members of the public.

The method of advertising has its limitations, yet I have a feeling that when, as the years pass, political opposition to the nationalised industries has ebbed away, it will be desirable both locally and nationally,

whether by newspaper advertisement, posters, or by direct communication, to keep consumers informed as to how the industries are being carried on. This is a practice much more widely adopted in the United States of America where the use of publicity is infinitely more highly developed than in this country.

Probably the greatest problem of all which nationalised industry, in common with private industry, has to face is how to establish the closest and most cordial relations with the employees. The natural desire of the nationalised Boards is to foster a spirit of public service and to engender amongst the workers a real desire to raise their industries to the highest point of efficiency. Great expectations were raised by nationalisation in the minds of the manual workers in particular. The workers felt that for the first time they were endowed with the right to enter the sphere of managerial functions from which in the past, generally speaking, they had been excluded, and over which some bitter struggles had taken place.

The legislation certainly did not pass over to the trade unions or the workers the right to manage the nationalised industries, but it gave them a status which they had not possessed before. It required the nationalised Boards in agreement with the trade unions to establish machinery for two main purposes: (a) the settlement by negotiation of matters affecting the salaries, wages and working conditions of employees; and (b) consultation on matters affecting safety, health, welfare, training and education and efficiency in the operation of the services of the Boards. The language differs somewhat in the various Nationalisation

Acts but the principles are the same. A definite obligation was put upon all the nationalised Boards to establish this machinery unless they were satisfied that adequate arrangements already existed for this purpose.

The agreements which the Boards were required to establish with the appropriate trade unions were to be national in character. This was done at the insistence of the trade unions, whose policy for many years has been to replace the former system of local negotiations by national agreements. Whatever may be the merits or demerits of national agreements, there is no escaping the conclusion that they result in the centralising of negotiations. In that sense, they are incompatible with the demand for decentralisation.

Provision is usually made in the national agreements for the setting up of district councils and committees at works level, but the supremacy of the decisions made at national level is implicit.

The change from local to national negotiations involved certain inevitable consequences. National negotiations necessitated the transference of power, formerly possessed by the local members, and its being placed in the hands of representatives entrusted to negotiate on their behalf. It also raised difficult questions of consultation between the unions and their members during the progress of negotiations. So intractable did this become that in a number of industries the negotiating bodies were endowed with power to settle without submitting the final outcome of the negotiations to their members.

Even the submission of reports to delegate conferences has not



completely surmounted the psychological troubles arising from the feeling of the individual member that his power of control over his conditions has been impaired, if not lost, by the transference of power from the locality to the national level.

Allegations are frequent that national machinery works too slowly, but having regard to the comprehensive character of the results achieved few, if any, trade unions would contemplate a return to the separate discussions which characterised the system of local negotiations.

The centralisation resulting from national agreements has undoubtedly led to a sense of frustration on the part of the individual member. The problem here to be surmounted is how best to ensure that all essential matters affecting the workers as a whole can be dealt with at national level, and how much can be relegated for decision in the areas and localities. It is impossible to generalise in such a matter, but most trade unions, conscious of their arduous efforts in reaching the position where national agreements are firmly established, might regard with suspicion proposals to transfer more power to the localities.

The speedy functioning of national machinery and the acquainting of employees of the progress of negotiations which are taking place bristles with difficulties, but the nationalised industries, in their separate spheres, must, in conjunction with the trade unions, grapple with this problem however intractable it may appear to be.

Consultation on the wider range of subjects relating to safety, health, welfare, education, training and

efficiency should, where practicable, be divorced from the disputatious atmosphere in which wage negotiations are often conducted. Hence the tendency to exclude from the scope of the consultative machinery any matters relating to wages negotiations. Efforts have been made to avoid consultation being regarded as between two sides. Emphasis has been placed on the need for free discussion by the individual members of the Consultative Councils and Committees.

Much depends upon the frankness with which management representatives express themselves. The usual practice in negotiations is to relegate the case for each side to a person or persons who act as spokesmen. In the realm of consultation this is undesirable and it might prove fatal. Consultation must be real and intimate, and the mood of suspicion which has been an almost inescapable accompaniment of negotiations on wages issues, ought to have no place in it. If the individual participants do not really believe in consultation and do not approach it in a real spirit of partnership, it will not work.

The machinery which has been set up in the nationalised industries, generally speaking, goes much farther than that usually found in private industry, but, complete as the machinery may be, it is the spirit in which the discussions are conducted which determines the results that will accrue. It is of the utmost importance that recommendations jointly come to should be carried into effect as speedily as practicable. In my view this can best be secured by having the highest possible level of representation on the consultative bodies. This should ensure that when a recommendation is made, it

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will have the backing of the most influential representatives on the Boards.

It is not at the national and district levels where the principal difficulties are encountered in consultation. It is at the works level and it is there that the example of the managerial representatives becomes of crucial importance. Their frankness in explaining the policy of the undertaking, any changes that may be in contemplation, and in imparting to the employees the fullest information, have a decisive influence on the success of the consultative system. It follows that they themselves must be adequately informed, and this entails systematic methods to keep the managerial representatives intimately in touch with such matters at all levels.

The method of organised consultation in nationalised industry, is comparatively new and goes considerably beyond the normal conception of production and works committees. It possesses a technique of its own and this has to be learnt. It has been stated that it took twenty years to establish Whitleyism in the Civil Service, and it cannot be expected that in the brief space of a few years, there can be a revolution in the psychological approach of workers and management towards their problems.

In certain of the nationalised industries, such as coal and electricity supply, special courses have been instituted for officials and members of local committees, at which instruction is imparted as to the best use of the advisory machinery and a systematic attempt is made to promote a wider perspective.

The inauguration of summer and weekend schools comprising a cross section of the industry, has proved an outstanding success, and is now an established part of the education and training methods adopted in coal and electricity.

Naturally in the earlier stages, the consultative machinery was regarded by many of the employees as an adjunct to collective bargaining, and in the proceedings claims for improvement in the sphere of welfare figured prominently. In so far as these facilities were inadequate, this was to be expected. Similarly in the earlier stages practically all of the initiative for putting forward constructive suggestions came from the side of the Boards. As experience has been gained, both of these tendencies have become less noticeable. Every encouragement is being given to stimulate a constructive approach by the employees at the local and district levels, and there is little doubt that these are having an effect.

In the realm of psychological change, results that can be translated into economics are not to be secured quickly. Thoughts and habits change slowly but that the nationalised industries are aiming in the right direction seems to be assured.

### Finance

Parliament has laid it down that each of the nationalised industries should pay its way, taking one year with another. The Transport Commission have not yet been able to satisfy that obligation, mainly because they inherited a railway service which had been financially unsound over many years. The Fuel and Power industries, however, have so

far each achieved financial equilibrium. This has been done in the face of heavy increases in capital and operating costs, which it has been possible to offset in part by increased efficiency, so that consumer charges have not risen in the same proportion. Thus, electricity and gas charges have not increased nearly so much as the average increase for commodities generally and, indeed, the same is true of railway charges and coal prices.

The Boards were not only faced with the immediate problem of keeping their industries running smoothly during the transitional period. There was also the urgent need to review and implement plans for improving capital equipment which had deteriorated by reason of the war, and to expand the industries to meet the increasing pressure of consumer demands. The magnitude of this problem is perhaps best illustrated by reference to the electricity supply industry, where it is estimated that in order to match supply with demand and keep pace with the growth of load, the present plant commissioning rate of one million kilowatts will need to rise between now and 1965 to two million kilowatts per annum. The Boards, however, have been forced to curtail the scale of their capital projects much below the levels planned because of the national shortage of capital resources.

Even so, the Fuel and Power industries, between them, spent on fixed capital investment in 1950 sums totalling £192 million, of which electricity accounted for £128 million.

In coal and transport capital expenditure has been substantially financed from internal resources such

as depreciation provisions. In the case of electricity, however, the scale of annual capital programmes is so vast that the bulk of the finance has to be provided by long-term borrowing. Arrangements for borrowing are not the same in all the nationalised industries. The Coal Board borrow direct from the Government. Their initial borrowing powers were fixed at £150 million, and increased to £300 million by the Coal Industry Act of 1951. Transport, electricity and gas, on the other hand, make public issues of Stock which normally carry a Treasury Guarantee. The limit imposed on electricity borrowings (apart from compensation stocks, and including temporary loans) is £700 million; to date issues have been made of £100 million 3 per cent. Stock and £150 million 3½ per cent. Stock. The very size of these requirements, in contrast to the very much smaller separate requirements of the former undertakings, creates in itself a financial problem of some significance.

Capital development, which in electricity must for some time to come involve an annual rate of expenditure of well over £100 million, brings in its train increasing charges for depreciation and interest. This has a particularly acute bearing on the finance of electricity supply, where for a given value of output the capital expenditure required is appreciably higher than in most other industries. Even in pre-war years the cost of installing a single kilowatt of additional capacity was nearly £20; today it ranges between as much as £50 and £60 per kilowatt. Similar circumstances apply to railways and to a lesser degree to coal and gas. These industries are faced in the immediate future, therefore,

with the grave problem of providing for progressive increases in their capital charges as they replace old plant and add to existing capacities at inflated costs, the full impact of which has yet to be felt as the industries are still operating with a large proportion of equipment purchased at pre-war prices.

Capital charges, i.e. depreciation provision and interest, absorb nearly 25 per cent. of the combined annual revenues (about £250 million) of the Electricity Boards. Depreciation alone accounts for some 15 per cent. of annual revenues, as compared with the corresponding provision of less than 15 per cent. of *gross profits* in the case of a representative sample of industrial and commercial companies. In common with other nationalised industries electricity has been criticised because depreciation provision is computed by reference to historical cost rather than by the cost of replacement of expiring assets. Present practice conforms with the industry's traditional methods which were themselves developed on conservative lines.

The burden of capital charges imposed on the consumers of today and tomorrow is steadily rising in step with the higher level of prices at which an increasingly predominant proportion of new assets is brought into use. Replacement cost provision is not recognised as a proper charge in computing profits for assessment to income tax and profits tax—to which all the nationalised industries are, of course, subject in the ordinary way.

Like other problems of the nationalised industries, the adjustment of charges to fit the concept of replacement cost treatment of depreciation

provision will be resolved in the long run rather than in the short run.

It is clear that in order that the nationalised industries shall be conducted on a sound financial basis, consumer charges must keep pace with increasing costs. Every attempt, however, is being made to absorb at least some part of the greater costs by improved efficiency. As far as electricity is concerned we can point to the increasing efficiency of generating stations, which are now consuming 4 per cent. less coal per unit of output than in 1946. At the present rate of coal consumption by the industry a saving of one million tons of coal per annum is attributable to the improvement in thermal efficiency.

### Research

In all the nationalised industries the Boards have the obligation to conduct research, and this is done by the undertaking of direct research and assisting research by outside organisations. These bodies include the recognised research associations, government establishments and the Universities.

The principal research work in the coal industry is concentrated at the Central Research Establishment of the Board near Cheltenham. Research so far undertaken falls under three main heads: first, particular problems of mining, secondly, upgrading of coals, and thirdly, extending the range of coals which can be carbonised. The main object of the first group of experiments is to find out how to cut coal with a minimum amount of dust and to reduce breakage of the coal. Success in that direction will mean less risk of dust disease and of explosions.

In transport and in electricity supply separate Research Advisory Councils have been set up, on which serve eminent scientists and members of the Executives and Boards. The actual work in transport is carried on by specialised Sub-Committees which deal with specific problems relating to the many aspects of the activities covered by the Commission. These are co-ordinated by a Committee which has contacts with the research establishments of the Department of Scientific and Industrial Research and other research associations and bodies.

In electricity supply large sums are spent on research by each of the principal manufacturers, and the main direct research carried on by the staffs of the Boards is at the power stations and at the research laboratories of the British Electricity Authority. Both manufacturers and the Electricity Boards are linked together in the Electrical Research Association. Certain of the Universities are also carrying on specific research on behalf of the British Electricity Authority.

Amongst the researches into the generation of electricity are those concerned with the internal corrosion of boilers, the elimination of precipitation in the vicinity of cooling towers, study of alternative cycles for gas turbines and the performance of those turbines, and the generation of electricity by wind power.

In electricity transmission, research into the problems bearing on the behaviour of lines and associated equipment at high voltages of 275,000

volts and above, is carried on as is also an examination of corrosion of overhead line conductors, the performance of insulators, surge phenomena, radio communication and interference, wave form distortion as well as switchgear and transformer problems.

In distribution, research work is carried out on fault location, lightning protection, transformer noise measurements, harmonics and radio communication. In the field of utilisation investigations concern floor heating and electrode boiler installations using off-peak energy, performance of electric vehicles and batteries, laboratory work on traction batteries, and detailed study of the characteristics of industrial and domestic supply as well as problems of heat transmission and thermal storage.

### Conclusion

I am only too conscious that in this address I have had to leave completely untouched such a pressing matter as the level of production in the nationalised industries. Despite the considerable increases in output there are still shortages in all the fuel and power industries. Nor have I been able to examine such subjects as their place in the national economy, capital investment, and the co-ordination and settlement of disputes between the industries. It is hoped, however, that enough has been said to indicate the comprehensive character of the activities carried on by the nationalised industries and the nature of the major problems with which they are concerned.

# Administration in the Gas Industry

By E. CROWTHER

*Mr. Crowther is Chairman of the Northern Gas Board and was General Manager and Director of the Newcastle upon Tyne and Gateshead Gas Company when the Company was transferred to the Board.*

As its title states, this address is limited to a discussion of administration in one only of the nationalised industries. This—the gas industry—is the one of which I have first hand knowledge, and I shall not attempt to compare and contrast its administration with that of other publicly owned bodies which I can only observe from outside.

An even stricter limitation of the address is implicit in its title through the use of the words “administration in,” and not “administration of,” an industry. The distinction is real in that each of the twelve Area Gas Boards established by the Gas Act of 1948 is a separate corporate body, with the responsibility of conducting its own affairs, including of course the establishment of its own organisation. Hence the forms of organisation of the several Boards are no more uniform than are the physical characteristics and other special circumstances which affect them. Rather than attempt to extract the highest common factor of the twelve organisations, I shall base my remarks upon the operation of the Northern Gas Board, of which I can claim a detailed knowledge.

One last difficulty of definition still confronts me before I can get to my subject, that is the exact meaning to be attached to the expression “administration.” In its narrowest sense, it may be restricted to a place midway between policy-making and management: the physician prescribes the medicine, the nurse administers it, and the patient manages it as best he may. Such a

view would not, however, permit me to cover the ground which I contemplate, and therefore, correctly or not, I propose to include within my terms the whole organisation established and operated by the Northern Gas Board to enable it to perform its statutory duties.

## Duties and Powers of the Board

It would seem appropriate to begin by outlining these duties, or at least the fundamental ones. The Board must:—

1. Develop and maintain an efficient, co-ordinated and economical system of gas supply for its Area, and satisfy, so far as it is economical to do so, all reasonable demands for gas.

2. Develop and maintain the efficient and economical production of gas coke and the recovery of by-products.

3. Submit for the approval of the Minister of Fuel and Power its programmes of proposed major capital work, consulting with the National Coal Board and other coke oven operators in their preparation.

4. Promote measures of welfare, health and safety for employees and provide facilities for their training.

5. Secure that revenue meets outgoings, taking one year with another.

6. Keep its accounts and records in conformity with the best commercial standards, submitting an

annual statement of accounts duly audited to the Minister, together with a report upon its work for the year and upon its policy and programmes.

7. Comply with national agreements governing terms and conditions of employment in the industry.

8. Comply with any special directions of the Minister.

To enable the Board to perform these duties, it is entrusted with authority, on its own responsibility:—

1. To manufacture and distribute gas, coke and products, operating its equipment as it thinks best calculated to achieve its objects.

2. To purchase gas in bulk wherever available.

3. To sell or hire appliances to the public.

4. To enter into any transactions for the furtherance of the business.

5. To fix its charges for gas as it thinks necessary, subject to the avoidance of undue preference or discrimination and to the publication of the methods and principles on which its tariffs are based.

6. With the authority of the Minister, to purchase compulsorily necessary lands and easements.

7. To oppose Bills in Parliament and, with the consent of the Minister, to promote Bills.

As I have said, the Board is a body corporate with perpetual succession. It is assessed to tax as a separate entity, and is subject to the ordinary processes of law.

#### **Membership of the Board**

Its members, who must number at

least six and not more than eight with the addition (*ex officio*) of the Chairman of the Gas Consultative Council for the Area—to which body I shall refer later—are appointed by the Minister from persons qualified in one or more of certain matters stated in the Act. The Minister nominates two of the members to be respectively Chairman and Deputy Chairman of the Board, and (by regulation) has made these two posts full-time. The remaining members of the Northern Gas Board hold part-time appointments.

#### **The Gas Council**

To complete the outline of the responsibilities and powers of the Board, reference must here be made to the Gas Council. This Council is composed of the twelve Chairmen of the Area Boards, together with an independent Chairman and Deputy Chairman, again appointed by the Minister.

Besides acting as a central advisory body to the Boards, the Gas Council is responsible for raising the capital required by the Boards both for compensation and development, allocating to them their appropriate shares of the servicing costs of this capital. It conducts research for the whole industry, negotiates terms and conditions of employment on a national basis, and may (if requested by them) act on behalf of all or some of the Boards in matters of common interest. It is required to advise the Minister on all questions affecting the gas industry, and to assist the Boards in their work. The latter in their turn must furnish the Council with such information as it may require to enable it to discharge its duties.

It will be clear from this attempted



summary of the relevant provisions of the Act that the emphasis is away from the central body, and a corresponding degree of regional autonomy not only in management and finance, but also in the determination of policy is placed in the hands of each of the twelve area Boards. Each must work out its own salvation to the best of its ability.

## THE ADMINISTRATIVE STRUCTURE

### Preparatory Work

The Northern Gas Board was formally constituted on January 18th, 1949, and had three clear months in which to prepare for the vesting date—May 1st, 1949—when it acquired ownership and control of the 53 separate gas undertakings in its area, and entered into its full responsibilities. This preparatory work was, of course, of the utmost importance, and presented many problems.

The vested undertakings consisted of 22 statutory companies—one of them a composite gas and water company—17 non-statutory companies, and 14 local authority owned undertakings. Their diversity in size was very wide: the largest undertaking (the Newcastle & Gateshead Gas Company) was responsible for rather more than half the total gas sales of the Area: its average output of gas in six minutes equalled the annual output of the smallest undertaking.

The immediate necessity was to ensure that at the moment when those who had previously controlled the undertakings, whether boards of directors or committees of local authorities, ceased their functions, there should be a new organisation ready to step into their place and

continue all essential business without a break, and it was obviously highly desirable that this new organisation should not be merely of an interim nature, but should as far as possible be in line with the permanent pattern envisaged by the Board.

Various possible solutions offered themselves. At one extreme of the scale was the centralisation of all managerial activities at the Board's headquarters, with the appointment of functional departmental chiefs to control respectively production, distribution and sales, accountancy and finance, labour relations, legal and secretarial matters, etc., throughout the area. Each would have required staff both at headquarters and at the units, and co-ordination between departments would have had to be secured either through the appointment of a general manager, or through the adoption by the Chairman and Deputy Chairman of the duties of managing directors.

This solution was rejected as impracticable. Not only would it have been wasteful of the abilities of men accustomed to the complete management of the individual units at which they were employed, but functional co-ordination however well achieved at headquarters would have been almost impossible between units. Moreover, the confidence of consumers, built up over the years by contact with the local man in charge, would have suffered when it began to be learned that he no longer had authority to manage matters of business without reference to a superior officer.

At the other extreme, the Board might have allowed each of the 53 units to continue on the old lines, substituting its own members or

nominees for the previous directorates or committees, and perhaps providing a few specialists to act as advisers to the unit managers.

This solution, too, was rejected. It would have been quite impossible for any one Board to attend adequately to the affairs of so many separate concerns, or to divide its attention between them at all proportionately to their size and financial importance. Co-ordination of policy, of accountancy practice, and of technical development would not have been effected for years, if ever, and many economies obviously available under single ownership would have been neglected.

### The Divisional System

The method actually adopted after careful consideration was modelled upon the structure of a holding company.

The Board itself took the place in such a structure of the parent company, while units were grouped together into the equivalent of a number of subsidiary companies, each termed a Division. Determination of the number of Divisions was based upon a great many factors, of which the personal factor was not the least weighty.

It was felt by the Board that subject to the number of Divisions not being greater than could be handled efficiently, as many as possible of those persons who had proved their managerial capacity should be retained in positions of comparable authority. If a mistake was to be made as to number, it was better to start with too many than too few, as it is always easier for two units to be combined into one than for one unit to be divided into two.

Geographical considerations were

another important factor—a Division must not be so large in area or contain so many separate works and depots as to make it impossible for the manager to exercise close personal supervision of its activities. Each Division should have within it an undertaking of some size and standing to serve as its nucleus and as a base for divisional staff, and should so far as possible have a sufficient volume of business to permit of the employment of competent technicians. If the nucleus undertaking was already managed by a person suitable to be put in charge of the whole Division, the advantages would be obvious.

In the event, 10 Divisions were formed, and a General Manager appointed to each. These appointments were offered to and accepted by the selected persons prior to vesting date, and methods of control were established ready to go into operation at zero hour. The arrangements were similarly explained in advance to the managers of the smaller units and they were invited to continue in charge of these under the direction of the appropriate divisional manager.

### Divisional Management Committees

A management committee was appointed to each Division, consisting in each case of the Chairman and Deputy Chairman and at least one part-time member of the Board, the divisional manager himself, and at least one senior official (divisional manager or his deputy) of a neighbouring division.

With certain special exceptions, these committees have delegated to them the full authority of the Board for the control of their divisions, including the authorisation of pay-

ments, control of accounts, control of operation and upkeep of plant, ordering of goods, and the making of contracts except under seal, all within a broad framework of policy laid down by the Board itself. Exceptionally, the committees may not, without first obtaining the specific approval of the Board, buy or sell real estate, add to the numbers of salaried staff of the Division, nor authorise the construction of plant, buildings, mains or other works of a value in excess of £10,000 in the largest Division or in excess of a correspondingly smaller sum in the smaller Divisions.

The Divisional Manager is responsible solely to his Management Committee for the conduct of his Division.

It will be noted that the presence of Board members on each Committee ensures that the committee is fully advised of governing policy, and goes far towards co-ordinating their activities. Co-ordination is further strengthened by the inclusion of a neighbouring manager as a committee member.

All these arrangements were, I repeat, laid down in advance of vesting date, and to complete them and make them workable a special study had to be made, also in advance, of accountancy and banking methods.

### **Accountancy and Banking**

Prior to vesting, organisation and system of accountancy varied widely, and a special problem was presented by those undertakings acquired from Local Authorities. Here the Treasurer of the Local Authority and his staff generally handled all accountancy work, issued and collected gas and other accounts, and paid wages and suppliers' invoices. In many cases, too, cash and bank

balances of the undertakings were not kept in separate accounts, but were dealt with as part of the general municipal account.

In every case, arrangements had to be made to close off old and open new banking accounts at the vesting date, to provide for the credit to the latter of moneys received and to authorise any two members of the divisional committees to draw cheques on the accounts for necessary payments, all without interruption to the continuity of business. One of the Board's first actions in the preparatory period was accordingly to open a central account at the Newcastle head office of the selected Bank. Arrangements were made at vesting day to open a general divisional account at a branch of the same bank in each of the ten divisional head-quarter towns, and for payments into that account by each unit in the division through the local branch.

In the case of the Local Authority owned undertakings, it was necessary to ask the authority to serve as agent until the divisional accountancy department could be built up to take over the work. In general, payment of invoices was taken over relatively quickly, payment of wages next followed, and finally the rendering and collecting of consumers' accounts completed the transfer, the last process often being dependent upon the time convenient to the Local Authority for the transfer of that section of its staff and that part of its equipment occupied in the work. Without the co-operation of both the Local Authorities and of the Bank the Board would have found its initial task extremely difficult, and the Board has reason to be grateful for all the help extended to it.

To complete the subject of banking,

it should be added that at their monthly meetings the divisional committees each check the divisional pass books with the cash books and with a letter from the divisional bank certifying the pass book balance. Similarly, at its monthly meetings the Board receives a certificate of all balances, central and divisional, and checks the certificate against the central pass book, the divisional committees' reports and the central cash book. The Bank treats all accounts as part of a single position, setting off credit balances in one account against debit balances elsewhere.

### Financial Control

The organisation adopted has required the appointment in each Division of an accountant, and here the system of line responsibility has had to be modified to a certain extent.

Each divisional accountant is subordinate to and controlled by his divisional general manager, but in addition he is advised by the Board's chief accountant in order that the accounts of each division shall be in common form and based on common principles, and may be combined without any uncertainty to constitute the accounts of the Board as a whole. It is almost equally important that costs headings should be identical throughout the area, to enable valid comparisons to be made and the best use to be made of the information produced, and rapid progress is being made in this direction.

It should be stated that the Board resolved at the outset to treat interest upon capital, provisions for depreciation of assets, rates, taxation, insurances, headquarters costs, payments towards Gas Council expenses

and similar charges as general overheads, to be met from the Board's central account from the combined gross trading profits of the Divisions.

The Divisions are not made individually responsible in their accounts for the share of these charges which each actually imports, and hence it is no longer possible to ensure that each unit is financially self supporting, as—over a period of years—it had to be if it were to survive in pre-vesting days.

The desirability or otherwise of the present system is arguable: control of costs is however well secured by comparing the trading figures of similar units with one another.

Before I leave accountancy, I must touch on budgetary control. This is a matter to which the Board attaches first importance. Each division is required to produce annual trading estimates at the commencement of each year, and these assembled together form the estimates on which the Board bases its overall financial policy.

To enable the committees to maintain continuous control, the individual divisional estimates are analysed into monthly periods. The actual ascertained items of income and expenditure are compared month by month at the committee meetings with the corresponding estimates, and any considerable divergencies examined. Each division also presents monthly a running summary of its authorised capital expenditure, showing progress and amount outstanding on each item. These are assembled by the chief accountant for the information of the Board as to its cash requirements immediately ahead, and its total

commitments on capital account, and the position is kept under constant review.

Internal audit falls solely within the province of the chief accountant, who controls a special small section of men wholly occupied in this work.

### Central Activities

While it has been the policy of the Board to delegate to the men in the field the fullest possible responsibility, and to limit headquarters staff to a very small body mainly concerned with advisory and co-ordinating duties, certain activities can only be dealt with centrally. These include the purchase of coal, the bulk export of coke and products, the purchase of coke oven gas, and matters which affect more than one Division, including the fixing of gas tariffs and prices, negotiations with organised labour and other subjects of area rather than divisional importance.

A small section at headquarters is responsible for major engineering construction plans and their execution, including gas grid lines crossing divisional boundaries. It is also available for consultation on engineering works carried through by divisional staffs.

No central purchasing organisation has been set up, but specifications are prepared, largely on the advice of the Committee of Divisional Managers, for goods used in quantity by all Divisions, and all units then order their requirements of these goods against common prices negotiated by the Board.

This Committee of Divisional Managers has proved a most effective instrument of co-ordination. The ten managers meet together monthly without any representative of the Board being present, and discuss an

agenda of their own preparation covering matters of common interest. In addition, they consider similar matters remitted to them for their views by the Board, and report back to the Board on these latter subjects, and on any others to which they think the Board's attention should be drawn. The opportunity which they thus enjoy to assist in forming policy has, I am sure, been a great stimulus to them in their work, and is highly valued by them. The Board has found their recommendations very well worth attention in many instances.

It has been made clear to the Divisional Managers that the Board encourages delegation to their unit managers of the necessary degree of responsibility to permit them to operate their plants to the best advantage, and to continue the tradition of personal service to their consumers upon which the success of the industry depends. The units thus form one training ground from which future divisional managers may be expected to come.

### Possible Changes

If I have succeeded in my object, you will have formed a picture in your minds of a three-tier structure, consisting first of the Board with its small headquarters staff, mainly occupied in the determination of policy, the exercise of financial control and the co-ordination of methods and planning; secondly the Divisions, occupied with commercial accountancy and the general guidance of the operation of the units within their respective areas; and finally the units themselves performing the day to day work of manufacture, supply and service.

The structure is not by any means

set in permanent form, but is rather a live and developing organism, which will be adapted from time to time to meet changing conditions. It is probable indeed that considerable changes will take place. The number of divisions may well be reduced as the inevitably heavy preliminary work diminishes, and divisional staffs have overtaken the arrears of engineering and accountancy work which were so painfully obvious in some parts of the area at the outset.

With the completion of a gas grid covering the eastern divisions, and linking up all their major sources of supply, it will be necessary to establish an extra-divisional system of control to regulate inputs and offtakes of gas and to attend to grid maintenance. The closing down of minor manufacturing plants which grid supplies will permit will relieve divisional staffs of a part of their present work, again suggesting a reduction in the number of divisions if the fullest economies in operating costs are to be obtained from the grid.

A coalescence of divisions has already taken place for purposes of gas sales activities—including show-room displays, demonstration and lecture work, exhibitions and home service. For these purposes the area is divided into three sections only, each with a sales manager and staff responsible to the group of divisional managers whose territory it covers.

Grouping may also be economical in the preparation and issue of consumers' accounts, permitting an increased use of mechanisation: this subject is being studied now with the assistance of an outside firm of business consultants who have been invited to examine all aspects of the Board's office methods and machinery with a view to suggesting economies.

It would be premature to express an opinion upon the fundamental rightness of the structure which has been created: all that can be said is that it has been successful so far in integrating 53 separate undertakings into a single workable organism.

It depends to no small extent upon the common-sense and discretion of the seniors in each of the three tiers, upon their ability to recognise when to take action on their own responsibility and when to consult with others, and upon their willingness to co-operate with one another at all times. These qualities have not been lacking in these men, and they have shown themselves adaptable to the abrupt changes which have taken place in the industry since vesting date.

It may be that my own special experience over a number of years of the pre-vesting operation of the largest of the undertakings, the deputy chairman's similar experience of another, and our long personal acquaintance with most of the senior men in the remaining units, as well as with many of the units themselves, make the present methods of control easier than we realise for us to handle. If so, our successors, especially if they are unfamiliar with gas industry conditions in the north, may find the system less workable than we have done, and will modify it accordingly. Naturally, however, I hope that the present structure will prove equal to its task in the future as it is in the present.

## POLICY QUESTIONS

### Price Policy

It would perhaps be out of place in this address to discuss in detail



the leading questions of policy which have engaged the attention of the Board in the performance of its duties, but it might be of interest to touch briefly upon one or two of them, if only to enable you to envisage the information which is required in reaching decisions.

Take for example the fixing of gas prices, which are governed by the duty put upon the Board to pay its way, and by the power given to it to fix its charges as it thinks fit. It was clear to the Board at the outset that the pre-vesting situation, where each undertaking had its own tariffs each differing from its neighbours', must be straightened out as soon as possible, and tariffs of a uniform pattern introduced. The immediate question was whether each unit should be self-supporting, whether prices as well as tariff patterns should be identical throughout the area, or whether some other principle should be adopted.

The first course was ruled out, as incompatible with the grouping of overheads as a common charge to net revenue account, and especially as it was felt that pre-vesting price differences occasioned by differences of policy of the previous owners or by accidental circumstances should not be perpetuated. As an example, two neighbouring undertakings of much the same size and each serving a district of much the same nature had widely different prices, largely because one had secured the supply of all available coke oven gas, at a low price, from a privately owned battery of ovens equidistant from both towns. Under national ownership, the benefits of this bargain had been acquired in equal measure by the inhabitants of both towns,

and should, it was considered, be shared in by both.

The second course—equality of charges throughout the area—appeared more arguable. But since Parliament had created twelve separate Boards, each required to pay its way independently of the rest, it was clear that no national unification of gas prices had been contemplated, and it was contrary to all probability that prices could ever be identical in all Boards. Since then identity of price was ruled out between adjacent Boards, there seemed no fundamental necessity for prices to be identical within any one Board, and if reasons to the contrary existed, those reasons should not be ignored. Such clearly were to be seen in the differences between the costs of transport of coal to the several units, in the differences between their size and density, and in similar inherent, as opposed to accidental, differences in their circumstances.

The Board therefore declared its policy to work towards tariffs of common pattern throughout the area, but with price differences reflecting the inherent differences in the cost of supplying different localities. Accidental differences, on the other hand, would cease to be so reflected.

It is upon this policy that necessary price changes have been made, and a point has now been reached where a single pattern tariff is in force throughout the area, with prices shading upwards from a minimum in the densely populated industrial areas, readily accessible to coal and to coke oven gas, through intermediate price levels in the suburban areas to maxima in the isolated rural areas. It will be appreciated

that estimation of the effects upon revenue of these very profound changes in tariff structure required the collection and analysis of great masses of information, and that the accuracy of these estimates can only be established after a considerable lapse of time. Up to the present, the most that can be said is that the evidence suggests that they will be found reasonably accurate.

### New Plant

A second matter of major policy concerns the construction of additional manufacturing plant. The construction of a new complete plant now occupies up to five years, so that it is necessary for the Board to try to estimate at regular intervals the quantities of gas which it will be called upon to supply five years ahead. Under estimation means future shortages of supply, incapable of being rectified until long after they become evident: over estimation, especially with construction costs at their present extremely high levels, means an excessive burden of overhead costs which may inflate gas prices and handicap the Board's business for years. The due weighing of all the factors which may influence demand is an extremely complex task, and no-one attempting it can be certain of success. Shortages of alternative fuels and the prices of these, the level of trade and employment and the effective earnings of consumers, the speed of house building, the changing habits of the people, movements of population and many other considerations enter into the matter, which is among the main preoccupations of the Board.

Were it not that an element of elasticity exists in the fact that a proportion of the plant acquired is

obsolescent and not of high efficiency, so that the penalty for over-estimation of requirements can be cushioned by improved operating costs, this important part of the Board's task would be much more difficult than it is—even so, it is difficult enough.

### THE CONSULTATIVE COUNCIL

At an early stage of my remarks I referred to the Consultative Council for the area, whose Chairman is *ex-officio* a member of the Board. This Council is appointed by the Minister, as required by the Act, from two main sources. At least half of the members are selected by him from lists of representatives of local authorities in the area prepared by the associations (the Association of Municipal Corporations and other similar bodies) empowered to speak for them. The remaining members are selected to represent the interests of commerce, industry, labour and the general body of private consumers of gas. The total membership must be between 20 and 30 persons. The Council—whose members receive no fee for their services—has the duty of considering any matters affecting the supply and price of gas in the area upon which representations may be made to it by consumers, or which it may raise of its own accord. It is required to inform the Board of its findings on such matters, as well as to report back on any matter referred to it by the Board. To assist the Council in its duties, the Board is required to inform it of its general plans and arrangements.

Should the Board decline to accept the recommendations of the Council upon any matter and no compromise be reached, the Council may refer it to the Minister, who after calling

for a report from a suitable referee may, if he thinks fit, issue a direction to the Board.

It is thus evident that the consumer is amply protected against any ill-judged or arbitrary actions of the Board. In fact, the role of the Council in the area has not been confined to that of critic and watchdog, but has included much useful liaison work, whereby the Council both informs the Board of any weaknesses in its service to consumers, and explains to the public the underlying policy of the Board in such matters as price fixing. In addition to the duties already mentioned, the Act requires the Council itself to set up local committees in accordance with a scheme which it must prepare and submit for approval to the Minister. The selection of persons to serve on these committees is largely in the hands of the Council, a circumstance which perhaps constitutes a weakness in the plan.

The Local Authorities of the area, of which there are too many to permit each to be directly represented on the Council itself, have not entirely accepted it as constituting the proper channel for such approaches as they may wish to make to the Board, an attitude which has caused the Board some embarrassment on occasions. Before introducing its new tariffs, for example, the Board submitted its proposals in great detail to the Council, and after exhaustive discussion, obtained its endorsement to them. On their publication, some Local Authorities sought interviews with the Board with the object of obtaining concessions and modifications of the tariff for the individual benefit of their localities, the cost of which would necessarily have fallen

upon other localities, disturbing the price relationships already accepted as equitable by the Council.

The Board and Council were thus placed in an anomalous position, and the latter was in danger of being regarded not as the natural spokesman and protector of local authorities' interests, but as a barrier against their free access to the Board.

Had Parliament foreseen such a situation, it might have avoided it by giving each local authority the right to nominate a suitable number of representatives to the appropriate local committee of the Council, thus avoiding any appearance—much disliked by local authorities—that the Council considers itself to be in a quasi-judicial capacity where a difference between a local authority and the Board is concerned. The Board's point of view in the matter is quite clear. It is anxious to be accessible to any responsible body of consumers, if for no other reason than to preserve their goodwill, but its position would be impossible if it were answerable individually, instead of collectively through the Council, to each such body in its area. The solution of such difficulties as have arisen is, of course, outside the Board's province. It can do no more than indicate how they have arisen, and, pending their solution, do its best to minimise their effects.

### PUBLIC ACCOUNTABILITY

Finally, a word on the subject of what has come to be known as "Public Accountability," and which has greatly exercised the minds of statesmen, economists and students of industry alike.

It will have emerged from what has already been said that controls upon the activities of the Board are

by no means lacking. The Minister appoints the Boards, makes regulations as to members' tenure of office, and may remove them even before their term of appointment is complete, if in his opinion they cease to be suitably qualified for their posts. He may call for information from the Board on any matter within its sphere of activity, and its proposals for major capital expenditure must first receive his approval. In addition, he has over-riding powers of direction particularly where in his opinion the work or management of the Board may affect the national interest. The Board must furnish the Minister with a fully informative annual report upon the performance of its duties, its policy and its programmes, and this must be accompanied by a statement of accounts, in a form approved by him and by the Treasury, certified by auditors of his appointment. These reports and accounts must then be laid before Parliament.

The consumer has the very ample protection afforded by the Consultative Council, and the rights of employees are fully covered by the Act, which lays down detailed procedure and machinery for the settlement not only of terms and conditions of employment, but for joint consultation upon welfare, health, safety, training and the efficient operation of the Board's services. In addition, there is always to be reckoned with the very powerful sanction of public opinion, as expressed through the press and in other ways, and which makes itself evident in the preferences of the

consumer in his choice of the service for which he will pay.

Whether these controls suffice to enable Parliament and the public to judge from time to time whether or not the industry which they have acquired is being carried on efficiently and in the national interest is a matter upon which opinion has not yet crystallised. It may be that there will be added to the present controls something in the nature of an independent inquiry, comparable with that held before each quinquennial renewal of the charter of the British Broadcasting Corporation. If so, it must be hoped that it will be broad in its scope, and not so devised as to hamper the proper conduct on business lines of what is essentially a commercial enterprise, calling for speedy decisions and the courage to accept legitimate business risks.

In the meantime, it must not be forgotten that the Board is as yet learning its business, and has much to do before its formative period can be regarded as complete. I should be the last to suggest that the administrative system which the Board has created is the best possible: on the contrary, it is being modified in the light of experience all the time, and your constructive criticism will be welcome. All that I ask you to believe is that the Board's objective is a very simple one—to provide the best possible service to the public at a price which the public can afford. To the extent to which it helps the Board in achieving its objective, and only to that extent, the system which I have tried to describe to you is justified.

# The Conventions of Local Government

By PROFESSOR W. J. M. MACKENZIE

*This article contains the substance of a lecture which the author was invited to give at the London School of Economics in February, 1951, and was prevented by illness from delivering.*

MY first point is a very simple one, which you will have guessed from the title of the lecture. It is one which I make with some diffidence before this audience; yet I cannot find that it has been made before. I shall make it as briefly and simply as I can, and then pass on to a number of corollaries which are of greater academic and practical importance.

In our study of British central government one of the first things we learn is that constitutional law is not enough. We learn from Dicey that the law is glossed in action by the conventions of the constitution; we learn from Sir Ivor Jennings that Dicey is wrong in thinking that these conventions can be deduced from constitutional law. We know, or fancy we know, the conventions which govern the relations of the King to his Ministers, of Ministers to Parliament and to the civil service; and I think we realise that there exist conventions not known to most of us which govern relations within the central administration, for instance between the Sea Lords and the Permanent Secretary at the Admiralty, or between an Assistant Secretary in the Treasury and the financial divisions of a spending department with which he is officially concerned. It is even generally understood that we must wait patiently for convention to put some flesh on the dry bones of recent nationalisation acts: it would not be a paradox to say that after 25 years of life the B.B.C. is mainly a creature of convention and not of law.

But it would, I think, be a paradox to say the same of the London County Council or of the city of Manchester. It is the English tradition to take note of the practice of government, and to disregard or discount its form; at least it is the tradition except in the study of local government. There are distinguished exceptions, but is it not true in general that most books on English local government, big and little, technical and popular, learned and amateurish, are books about law and not about practice? In fact, that they tell one very little about local government?

There are various reasons for this. For one thing local government has had no Burke or Bagehot, and John Stuart Mill is a poor substitute; it is a subject repugnant to poets, and it is the poets, or at least the men with poetic gifts, who do most to make a community conscious and proud of what in this technical sense we call its conventions. Again, local government, more than any other part of government, seems to those outside it to be guarded by a rampart of technicalities: it may be—I hope it is—possible to leap over, like Satan into Paradise, but this is an unscholarly thought, and the conscientious scholar feels bound to tunnel through. One can spend a very interesting and honourable life in tunnelling through the charters, statutes and blue-books of a thousand years without ever reaching the subject itself. Third, there is the question of size. Central government is mainly concentrated in quite a small area, between St. James's and

the river, and the people who are important in it are relatively few; 600 or so M.P.s, a few peers, a few hundred high officials and service officers, a fringe of nondescript persons of political importance. It is a small community, though an extremely important one, and it is bold but not impossible to generalise about its conventional rules of conduct. It would be much bolder, and perhaps foolish, to make any such generalisations in local government, unless we can proceed one by one through the long list of local authorities: it is possible, and even probable, that the conventions of local government vary greatly between authorities, even between authorities with the same legal powers. No man can know many local authorities well, and our writers are perhaps wise in avoiding that kind of generalisation which we call a convention. It should be added (finally) that local government is subordinate, not sovereign government; its scope is defined by law, and a good many of its internal arrangements are settled by law. Law is relatively more important to it than it is to Parliament, just as law is more prominent in American government than in British, because of the importance of the limitations placed on all organs of government by the American constitution.

You may therefore conclude in the end that this central theme of political science is not one which can be profitably used in the study of local government. I want before you do so to suggest the type of question—the type of research project—to which it gives rise, so that you can judge in more detail the advantages and difficulties. But I ought first to pay my respects to academic decency by defining my terms more closely.

### Definition of "Conventions"

Since Dicey, the word "convention" has been used in this country to include all general statements or rules about government which are true, or at least might be true, and yet are not statements about law, even about law in the most extended sense, including charters, bye-laws, standing orders, and so forth, as well as statute law and case law. This is the usage which I am following, and it is of course an extremely loose usage, because these generalisations called conventions are of at least three different kinds.

*First*, there are general statements about the *past*: persons of particular types have acted in particular ways in situations which the observer thinks comparable. The King (or Queen) has acted in such and such a way on the resignation of a Prime Minister enjoying the confidence of the House of Commons: the Home Office has acted in such and such a way regarding the appointment of Chief Constables by police authorities. *Second*, there are general statements about the moral sentiments of types of individuals *now*. Prime Ministers feel that they *ought* to resign if defeated on a vote of confidence in the House of Commons; most members of Parliament think that in these circumstances the P.M. ought to resign; many members of the public think that a Watch Committee *ought* to give way to the Home Office about the choice of a chief constable; and so on. *Third*, there are predictions about the *future*: if a Prime Minister splits his party he will make the working of the House of Commons extremely difficult; if an authority resists the Home Office its grant will be stopped.



It could be maintained that the second and third groups are derivative from the first; we can know the present moral sentiments of other people only from their behaviour in the past, and we can predict effects only by rules based on past experience. Constitutionalists have never troubled their heads much with this sort of point, and have used the word "conventions" very loosely to cover past history, present sentiments and future trends; I propose to do the same, but I do not think it would be very difficult to restate the old usage in more rigorous terms, if a good logician were ready to lend a hand. The conventions of the constitution are general statements about the ways in which defined classes of people behave in defined situations, and they are in principle verifiable by reference to experience. In practice they are never wholly adequate to experience; but no general statement is, in any branch of knowledge, and I do not think we need be particularly ashamed of the status of our generalisations, even though our terminology sounds old-fashioned. I am confirmed in this by recent American work on the sociology of public administration, which attempts to proceed on a rigorously scientific basis: it uses freely a distinction drawn by Mr. Chester Barnard and Dr. H. A. Simon between formal organisation and informal organisation, and I cannot see that this is anything more than the old British distinction between the law and the conventions of the constitution. My subject could equally well be described as the informal organisation of English local government.

Here there are three sets of topics,

which are closely connected but can be separated without too much apology; *first*, the relationships internal to local authorities, *second*, the relations between local authorities, *third*, the organisation of local government as a whole as an "interest" or "pressure-group" in national politics. My general point is that on all these issues we have virtually no organised and teachable body of knowledge: there are men of skill and wisdom who can play the "game" of local government like great artists, but like artists they cannot or will not teach.

### Conventions in the Working of the Individual Authority

I think it would be commonplace to say that there are five factors in the working of a local authority: the attitude of the electorate, the quality of the councillors, the quality of the officers, their interaction to form a local government, and the relations of that local government to the central powers.

Since the war the Home Office has begun to publish statistics of local elections, and a number of researchers have begun independently to study the problem of electoral apathy.<sup>1</sup> British electoral statistics are very incomplete, if judged by the standards set in other democratic countries, and statistical areas are so chosen that it is hard to match figures for different social factors. Nevertheless, there are enough data now to justify a negative hypothesis, that interest in local elections has no relation to the powers of the local authority concerned. With few exceptions the figures for county councils, which have great powers, are low:

<sup>1</sup> See (for instance) A. H. Birch's article on "The Habit of Voting" in "The Manchester School," Vol. XVIII (Jan. 1950), p. 75; and the references there given.

among the high figures are some county boroughs, but also some municipal boroughs and urban districts and even some constituencies among the R.D.C.s. It is more difficult to make positive generalisations, but there are two which should be explored: *first*, that voting figures are related to the condition of party organisation in the locality, *second* that they are related to such indices as we can find of the stability and intensity of community feeling in other fields: Church membership, Trade Union membership, closeness of home to job, average length of residence in the area, and so on. The published figures will not allow us to take this much further, and we should need to have recourse to sample surveys: till we do so we will be left guessing about the causes of public apathy in local government. My impression is that if we want higher voting percentages we will not get them by changing the structure of local government. We will get them if the parties decide to spend more money and effort in local elections; we will get them if more of England advances—or perhaps in London I should say “reverts”—to the stable, egalitarian, conservative social organisation of those small Lancashire mill-towns which regularly return the highest voting percentages in national and local elections. The former is a matter of national politics: the latter turns not on the law of local government but on the sort of factors which affect other community associations. For local authorities, in so far as they are truly “local,” are no more than community associations endowed with legal status and with legal powers: they cannot rise higher than the level of the community to which they belong.

The question of the local government service, I will, if I may, leave till later and I will pass to the question of the local councillor. At present the air is thick with statements that councillors are not what they were: it is one of the natural failings of the human mind to say that things are not what they were, and that statement arouses not conviction but active disbelief, unless it is accompanied by evidence. Within the limits that evidence is easy to find. Dr. J. F. S. Ross and others have established a technique for analysing the composition of the House of Commons which is both objective and informative: it will not tell us the percentage of Gladstones and Churchills in any House of Commons, but it will over a period present a very adequate picture of the House in relation to the nation. I believe this has not yet been done for any local authority; even isolated analyses would help, but to produce a national picture we should need to take a carefully selected group of at least 50 authorities, at various stages in their history. If any general trend were established, it would be necessary then to relate it to other factors, in particular to the great social changes brought about by the suburban railway, the bus and the motor-car. I should guess that these have been more powerful factors in change than any change in the status of local authorities.

*Third*, the internal organisation of the local authorities. Here we all know the structure of committees and the powers and duties of officials; what we do not know is the answer to the question which any simple-minded foreigner would ask: “Who runs this place?” The notion of “government” seems to have

dropped out of our discussion of local "government"; to the outsider the oddest thing about an English local authority is that it seems to have no focal point of decision. The legal focus is in the full meetings of the Council, but it is easy to see that very little is decided on the floor of the Council Chamber. The American would look at once for an illegal or extra-legal focus, the local boss: he might find one or two rather muted and respectable members of that species, but I think that generally he would fail. Is there then in most local authorities no centre of co-ordination and decision? We can make guesses and give partial answers: the gap may sometimes be filled by party caucuses, or by committees of committee chairmen: but we do not know. I suspect that generally the gap is not filled, and that this is on the whole the greatest administrative weakness in English local government: but we cannot expect to know either the disease or the remedy without more research. At present it can be said without irony that we know more of the working and politics of local authorities from the Conquest to 1835 than we do for the 19th and 20th centuries.

*Fourth*, the relations between the local governments and the Whitehall government. Here, it may be said, we have plenty of evidence, and an adequate hypothesis about what has happened. Up to a point this is true. We do know the forms of law and procedure from many sources: we also hear from many quarters the complaints of those who rebel against these forms. It is clear too that these forms arise because civil servants are set to administer policy through authorities which vary enormously in strength and skill: you all know the

range of resources between the greatest and the least in each class of local authority, which makes the English local government system look more foolish on paper than it is in practice. No civil servant knows much in detail about the local authorities with whom he is dealing: but he knows from bitter experience that some of them are weak, and that it is his business in the public interest to be careful. He *is* careful, and there is a storm of protest. One conclusion drawn from such protests is that civil servants don't know their own business: a second is that our system should be so reformed that no authorities except strong authorities are in direct contact with Whitehall. The former view is foolish, the latter may be correct. But it means that the problem of supervision will not be abolished but transferred to a new office not necessarily less bureaucratic than that of the Minister and his Regional Officers. It could be accepted with confidence only if more were known about the present process of supervision. What are its faults? Are they such that they can be remedied by a transfer of power from Whitehall to County Hall? The rules of procedure tell us very little because any procedure leaves room for discretion, and it would be simple-minded to believe that Whitehall talks in quite the same way to the great powers in local government as to the small fry. The protests tell us very little, because it is the local authority's business to protest; it is its duty to maintain its dignity, and it is also its duty to get the best share it can for its constituents when things go short. Some friction between central and local government is the price we pay for the existence of local government: is there at present too much friction

or too little? It would be silly to suggest that research can answer that question, but I think we could see more clearly what the question involves if we had more case-studies of the process of administration in single instances. In the Victorian age cases emerged in periodic scandals and enquiries, and there is a great deal buried in old Minutes of Evidence; but British government has become steadily more discreet, less public, and thereby less amenable to control.

So much for the problems which must be studied primarily in the individual authority: next, I ought to say something about the problem of relations between authorities.

### Conventions of Collaboration Between Authorities

The Boundary Commission in its famous report for 1947 assumed that English local government is, like Hobbes's state of nature, a war of "every man against every man"; of county borough against county, and of both against the county districts: from which it should follow that the life of man in Lancashire is "solitary, poor, nasty, brutish and short," for there the government of over 4,000,000 people is divided between 127 authorities, in an area much less than that of Greater London.<sup>2</sup> I can assure you that the conclusion is as untrue of Lancashire as it would be of London, and I think therefore that we ought to look again at the premises. After all, what can you expect local authorities to say if you ask them in all solemnity what they think of their neighbours? Local authorities collaborate with one another at least

as effectively as do Ministries in Whitehall: but one of the basic rights of local government is the right to express freely your contempt, loathing and disgust at the beastly habits of the authority next door. Local government will be dead once and for all when Edinburgh ceases to sniff at Glasgow, Manchester at Liverpool, Bacup at Rawtenstall. Local pride means local rivalry; this rivalry is a good thing, not a bad one, so long as the game is played under sensible rules. It is obvious that there are rules, just as there are rules which govern departmental warfare in Whitehall; if there were not, life in this island would be impossible. But what are they? Do they vary in different parts of the country or between different pairs of authorities? Does Manchester deal on similar principles with the County of Cheshire and the County of Lancashire? Are all Metropolitan Boroughs alike to the L.C.C. or not?

This is, I think, a subject of extreme importance; it is also one which is almost out of bounds for academic research. I know the ways of Whitehall better than I do those of local government; and to judge by that analogy collaboration is generally off the record, disagreement is on it. One collaborates on the telephone, or by lunching, or just by "coffee-housing"; what goes on the file is the official letter written in cold blood to establish for posterity one's extreme circumspection and responsibility on matters of official business. I very much doubt whether the most patient of historians with all the papers before him could piece together the history of successful collaboration between two authorities on anything that

<sup>2</sup> Lancashire, 4,076,070 people; Lancs. C.C., 17 C.B., 26 B., 68 U.D.C., 15 R.D.C.; 1,875 sq. miles. "Greater London," as covered by Greater London Plan: 7,832,907 people; L.C.C., City, 28 M.B., 150 others; 2,599 sq. miles.

costs either of them money. Those who are agreed to promote collaboration must proceed on both sides with elaborate circumspection lest they wreck it by seeming to give away too much to the ratepayers next door, and I doubt whether they leave many traces on the record. Certainly such research as has been done so far, mainly on formal machinery such as Joint Boards and Joint Advisory Committees, has proved extremely discouraging. This is probably one of the frontiers of research in public administration; one can establish a presumption, but it is never possible to produce proof. The most one can ask is that because the conventions of collaboration cannot be proved it should not be assumed that they do not exist.

Perhaps at this point I should interpolate some excuses. This approach, as you will see, leads to a certain scepticism about some of the assumptions of the more ardent reformers: and you are aware that on the whole those who appeal to convention tend to be on the conservative side—Burke as against Bentham, Bagehot as against John Stuart Mill. I must confess that I am not convinced that local government in England is either dead or dying, indeed sometimes I even venture to think that it is one of the best local government systems in the world. But emphatically it is not perfect; even if it were perfect it must keep moving fast to adapt itself to the present pace of social change. The trend of my remarks is not to resist change, but to separate what seem to me to be separate issues, the issue of reform and the issue of investigation. The latter is a matter of knowledge and is the trade of the political scientist, the former is decision, and is the trade

primarily of the politician, but also secondarily of all of us as citizens. Decisions always in the end must be taken with inadequate knowledge: the worst sort of administrator is the administrator who in all cases waits for further information. The last thing the political scientist should do is to say perpetually "Wait"; the world must get forward as best it can, but perhaps it will get forward a little better if we have more knowledge available at the moments of decision.

### Local Government as a "Pressure-Group"

Finally, I wish to say a little about the national organisation of local government, and by that I do not mean the law of local government. From the point of view of convention or informal organisation local government is a lobby or pressure-group; more strictly, a number of groups which compete but can on occasion unite. The general question here, perhaps, is why the system is in its essentials so stubbornly resistant to change. We all know the casual way in which the system of 1888 came into existence, and since 1888 scarcely anyone has had a kind word to say for it. It is continually being modified in detail, and yet its main lines are still standing after 60 years and they have so far resisted the strongest attack of all, that of the Local Government Boundary Commissioners. It is an odd kind of pressure-group which often lets go the substance of power, and yet holds stubbornly to its forms, and perhaps the secret of reform lies in a more skilful analysis of what it is that resists change. I can do no more than indicate some questions.

There are in this field three types of association: *first*, the relatively

simple and formal structure of the associations of local authorities and local authority committees; *second*, the extremely complex structure of institutes and associations to which local government officers belong; *third*, the quite informal and very delicate relation between local government and national politics, which in the last resort determines what proposals affecting local government are brought before the House of Commons and approved by it.

On the first point most of the material is available in periodicals and reports, and there is no secret whatever about the important part which local authority associations play in legislation and in national administration. They are called upon to provide representatives at innumerable enquiries, to advise on legislation in draft, to brief members as bills go through the House, to sift grievances arising from them and to present authoritatively those grievances which are of real importance. There are many other associations in other fields which now play the same sort of semi-official role in government; and a study of the local government associations would be of particular interest because their work is all in public business and lies almost completely open to inspection. But I think that the investigator would not find here powerful lobbies on the American model, or even on the more suave British model of the National Union of Teachers and the National Farmers' Union; one consequence of the irregularity of our system is that there is diversity of interest within each class of authority, and the associations are less powerful on great matters than on small.

Secondly, there is the local government service. Since the National

Joint Council for the Staffs of Local Authorities was set up in 1944 the service has had a certain appearance of national unity. It possesses national negotiating machinery, and in 1946 the National Joint Council first issued the famous Purple Book, containing scales and salaries and conditions of service. But this unity is still more apparent than real. For one thing the N.J.C. does not even now know who its parishioners are. It guesses that there are about 150,000 of them, out of about 800,000 local government employees who appear in the Ministry of Labour figures. But there is no legal definition of local government officer; authorities probably interpret the phrase in various senses; and in 1948 out of some 1,500 authorities over 500 did not bother to reply to a questionnaire intended by the N.J.C. to establish the number of individuals on whose behalf it was negotiating. Again, the conditions of work of an officer may vary totally between authorities, even though his position is technically the same. If we take the N.J.C.'s figures, there are at one extreme 18 authorities with over 1,000 officers, at the other 500 authorities with less than 25 officers; 50 per cent. of the service (even leaving out of account the L.C.C.) are employed by five per cent. of the authorities, those with staffs of 500 or more. The remainder are scattered in a multitude of small offices, and no national code of rules can assimilate conditions of life in a small office to those in a big office: all the human relations involved are different. Finally, who enforces the N.J.C.'s conditions and pay scales? It has virtually no organisation of its own, and its decisions have no more than moral force except in so far as they are enforced by the collective



pressure of the National Association of Local Government Officers and the other associations and trade unions of officers. The unity of the service exists only in so far as the service organises itself to enforce unity.

You will remember that this question of professional associations was one which the Webbs explored in the great days of syndicalism,<sup>3</sup> and Professor W. A. Robson followed it up in 1922 in so far as it affected local government.<sup>4</sup> A great deal has happened since 1922 and it is perhaps time to do this work again. When the Webbs made their studies between 1915 and 1917 they gave more space to the National Union of Teachers than to any other organisation: they would perhaps feel bound now to give at least equal prominence to N.A.L.G.O. The problems of N.A.L.G.O. are by no means the only problems in this field, but they are on such a scale that they serve best to illustrate how these informal organisations may react upon the formal system of local government.

The original policy of N.A.L.G.O. was like that which made the N.U.T. a great power in the land. *First*, it attempted to include within itself officers of all ranks and professions engaged in local government service, even though they were also organised in separate bodies; *second*, it sought the creation of national standards for the service; there was even a minority which favoured the nationalisation of the service, just as there had been a minority who favoured the creation of a national teaching service; *third*, it insisted that it was a professional body and not a Trade

Union: a body which imposed on its own members standards of service to the public, and sought to raise the quality and dignity of their work as a proper step in raising their level of remuneration. The teaching of Public Administration in the Universities owes much to N.A.L.G.O. in general, and to its former Secretary, Mr. Hill, in particular; and it has itself run an important education service. N.A.L.G.O. is now in effect the staff side of the National Joint Council, and as such it is the driving force in all improvements in status and the only enforcement service which the Council has at its disposal. It is also through its branches the main agency in educating the public in the value of local government; and it has had in its time some striking successes as a national pressure group or lobby. Will the interest of N.A.L.G.O. continue to be an interest in the vitality of local government, as it has been hitherto?

I am concerned only to ask the question, not to answer it. But it is worth asking for two reasons. *First*, there seems in recent years to have been increasing divergence between the higher and lower levels of the service. The N.J.C.'s salary scales run only up to a maximum of £1,000 a year; its staff side includes no representative of the professional institutes and associations; and a separate negotiating committee has been set up for chief officers and the other officials in the higher ranks. Is N.A.L.G.O. to become a sort of C.S.C.A.? The latter's failings derive from the weakness of the system of civil service classes. It would be a

<sup>3</sup> "New Statesman": Special Supplement on Professional Associations. Pt. I, April 21st, 1917; Part II, April 28th, 1917.

<sup>4</sup> W. A. Robson: "From Patronage to Proficiency in the Public Service," Fabian Society, 1922; pp. 48.

pity if a similar system of classes were to be imposed on local government not by Victorian tradition but by the action of its own officers. *Second*, the events of the last five years have meant that many of N.A.L.G.O.'s members have left the service of local authorities and have been transferred with their jobs to Boards and Corporations and Executives of various kinds. The position at the end of 1949 was that N.A.L.G.O. had 189,000 members in just over 1,200 branches; of these branches some 360 were organisations of public servants outside local government—in hospital services, health services, gas, transport, and electricity—and the number is still growing. Is N.A.L.G.O. to become a sort of T.G.W.U. of the public service? It may be that this is the right course of action for it, in the interests of its members as a whole; this is a matter for its members to decide. But it will be an important and quite unforeseen effect of recent legislation if it weakens N.A.L.G.O.'s interest in the vitality of local government: there has been no other active force identified with local government as a whole, without distinction of geography or profession or type of authority.

There are a number of other problems of almost equal interest in this field, but before I conclude I should like to say a little on the most delicate problem of all. I am tempted to say that the real problem of local government reform is how to get it through the House of Commons: neither party will adopt any scheme which must be carried in the face of strong opposition, and structural change therefore depends on the acquiescence of both major parties. Is this so

difficult to obtain that no major change is possible? The difficulties of Mr. Neville Chamberlain in 1929 are familiar,<sup>5</sup> and are discouraging to any Minister who is not very ambitious, very resolute, and convinced of his own powers of conciliation. Is there any point of leverage at which the reluctant mass of the House of Commons may be set in motion? This is a problem in the structure and dynamics of British parties: it is impossible for the political scientist to solve it, but it should be possible to make the conditions of solution more clear than they are to the general public and to the ardent reformers. The House of Commons is a factor in the problem of local government; it is useless to design any scheme for local government (supposing that a scheme is to be designed) which quietly omits politics from consideration.

One set of conditions must refer to the general political situation: I do not want to venture even to the verge of prophecy, but it is unlikely that any big local government bill will be promoted except by a government which can see its future secure for a year or two ahead, which has no great party programme of legislation, and which is not greatly troubled by crises in foreign affairs. Another set of conditions involves problems of party structure. There is an odd ambivalence in the attitude of the Commons to local government. On the one hand, local autonomy is a good cry for any speaker on any platform, and a few blasts of the trumpet were enough to bring down the Local Government Boundary Commission, which looked like being an administrative invention of first-

<sup>5</sup> Feiling: *The Life of Neville Chamberlain*; p. 145.

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# THE HOUSE OF COMMONS AND LOCAL GOVERNMENT

1		2		3					
M.P.s		M.P.s claiming Local Government Experience		Local Authorities named		London County Council		Metro- politan Boroughs	
Lab.	Con.	Lab.	Con.	Lab.	Con.	L.	C.	L.	C.
London Boroughs	31 12	20 4	27 5	9 4	11 1				
English „	151 96	61 22	67 26	2 3	4 3				
English Counties	69 144	24 19	29 21	4 5	3 4				
Total (England)	251 252	105 45	123 52	15 12	18 8				
Wales ..	27 3	10 —	13 —			*NOTE: The figures Out of 45 County Councils „ „ 19 Boroughs „ „ 14 U.D. To this add : London County Council Metropolitan Boroughs			
Scotland ..	37 26	18 6	17 6						

London A

Source: "The Times" Guide to the Election of 1950.

# CAL GOVERNMENT

## Appendix

### Details of Column 3

Metropolitan Boroughs		County Boroughs		County Councils*		Boroughs*		U.D.C.s*		R.D.C.s	
L.	C.	L.	C.	L.	C.	L.	C.	L.	C.	L.	C.
11	1	1	—	3	—	2	—	1	—	—	—
4	3	32	4	14	10	10	4	4	2	1	—
3	4	4	—	10	8	2	1	5	2	1	1
18	8	37	4	27	18	14	5	10	4	2	1

7: The figures in these three columns are deceptive :

45 County Councils mentioned 18 are "metropolitan "

19 Borough " 12 " "

14 U.D. " 4 " "

add :

London County Council .. 27

Metropolitan Boroughs .. 26

London Authorities .. 87

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rate importance. On the other hand, there has hardly been a squeak of protest in the Commons, on either side of the House, on the numerous occasions since 1945 when issues of national party policy have led to a reduction in local powers. How do the Commons manage to have it both ways? Some of the published figures suggest a hypothesis, although they are not at all conclusive.

On the one hand, the House of Commons is not really strong in experience of local government outside London. "The Times" Guide to the Election of 1950 is far from complete in its biographies, but I assume that the facts given reflect the interests of the members themselves, and are at least of psychological importance. In the last House of Commons only 150 English members out of 500 claimed previous experience in local government; as one would expect, the proportion was higher on the Labour side—42 per cent. of Labour members, 14 per cent. of Conservatives. One would think this should be enough to make Labour sensitive to local issues, even in face of the party whip: but it is necessary to look a little further. The 150 M.P.s mentioned between them 175 local authorities. Of these 87—about one half—were authorities in the metropolitan area: the L.C.C., the Metropolitan Boroughs, the five neighbouring counties and their county districts. Not all who mentioned these were metropolitan M.P.s, but it is simplest to relate this figure to that of 125 metropolitan seats in the House of Commons: the ratio is 87 out of 125, about 2 in 3, as against 88 in 378, 2 in 9, for the rest of the country. This needs no comment, except perhaps that while there were 88 M.P.s known to have

experience of local government outside London, there were 84 M.P.s who were old boys of Eton.

This may help to explain why even the Labour party is not acutely conscious of local issues: why then was that admirable barometer, Mr. Aneurin Bevan, so sensitive to criticism of the Local Government Boundary Commission? The answer to this must lie in party structure, and I think it is true, particularly on the Labour side, that there is close connection between the party representatives on the local authority and the party committees which choose Parliamentary candidates. In the counties this is not so strong, but in the county boroughs any M.P. is bound to listen if the councillors of his party colour are aroused. They are not perhaps very clearly aware of what goes on, and they are in many cases intensely devoted to the party's national programme: but where party loyalty is not involved local loyalty is so strong as to be decisive. The 79 English county boroughs between them return 169 out of 506 English M.P.s: at present 100 of these are Labour M.P.s, and a Conservative government might in some circumstances be less sensitive than a Labour one. But it would be unwise to count on this: the county borough members constitute quite a well-marked group irrespective of party, and it would be difficult for either party to impose any solution which was not palatable to the great majority of county boroughs.

These speculations go rather beyond my evidence, but it is worth making them in order to challenge some discussion of these issues. No one imagines that central government can be made intelligible without a

discussion of party structure : there is no doubt that in this way, and in many others, this is now equally true of local government.

### Issues for Discussion

There I must pause, and say a few words by way of conclusion. I have really put two issues for debate : *First*, whether these lines of research are technically possible and of practical relevance. On that I have convinced myself, though I may not have convinced you. *Second*, whether it is possible to hope that they can be effectively pursued in this country. This is a question of resources, and the use to be made of them, and our relevant resources are very small. The number of political scientists in the Universities is limited, for we probably do not produce more than eight or ten really first-class students of government each year in the whole country, and many of these do not proceed to research ; those who are left have a wide field from which to choose, and there is no striking career offered to those who research in local government. We certainly cannot hope to build round the University Departments of Government the sort of Public Administration Research Service which exists informally in the U.S.A. : our human resources do not permit it, and will not permit it for years, even if the University Grants Committee is kind to us. It is of no use to think in terms of grandiose projects, because events will have moved on long before they are finished. What then can we do ? I should suggest (*First*) that in teaching and examining we might make more clear what we do *not* know about local government ; I think we have some idea how to

state the problems and even how to find the answers, and if we can teach that we may help to influence the attitude of the administrator to his job. *Second*, in research any work on the scale possible at present will not be much more than an experiment in method : it is not likely to prove much conclusively. But the test, and even the rejection, of methods of enquiry is of extreme importance and may be influential outside the academic world : in addition, even a single pilot survey suggests conclusions, and provisional conclusions are worth much, if one knows what probability they can claim. *Third*, is it not possible for more to be done outside the Universities ? The assumption on which this sort of research is based is that knowledge is in the long run an economy. There is no lack of talent for research in national and local service—there is much more of it there than in the Universities—but at present it is absorbed in day-to-day business. On the whole we are less well-informed now about the quality and tendencies of our system of government than were the Victorians, in the great days of Select Committees and Royal Commissions. The old type of Royal Commission, with its paid Assistant Commissioners, is dead, and its memory is not widely beloved ; but it had the great merits of general plan, individual responsibility and full publication of results. Is it possible to find a new political invention to replace it ? I do not think it would be difficult to design an organisation in which the Universities could play their part, but the first task for the Universities is to create some consciousness that the need exists.

# The American Civil Service, 1939-1945

By SIR PERCIVAL WATERFIELD, K.B.E., C.B.

*A recent study of the Civil Service of the United States during the war is here reviewed in the light of British experience.*

THIS\* is not a book for the amateur's fireside reading. Probably few even among professional students of public administration will find it worth while to plough laboriously through the mass of detailed facts which Miss Kammerer has collected in her Chapters II to XIV. Most will find it enough to read the introduction in Chapter I; glance through the author's conclusions at the end of each succeeding chapter, pausing perhaps to peruse the story in Chapter VI ("The New Emphasis on Loyalty") of Congressional attacks on individual Federal employees suspected of subversive views; and then study with care the final chapter. Here Miss Kammerer summarises the results of her enquiry and balances the achievements against the failures of the Federal Administration, and the Civil Service Commission in particular, in dealing with the problems of recruitment, grading, promotion, pay, inter-departmental transfers, training, "personal utilisation" (*Anglice*, the economic use of manpower) and the evolution of "employee-relations programmes," while confronted at almost every point with Congressional controls, inquiries, and, all too often, obstruction.

Miss Kammerer notes five achievements ranking as "permanent contributions to the improvement of the Civil Service." They are: "the survival of the merit system principles through the adaptability and flexibility of the personnel system; success in recruitment for staffing the

expanded Federal service; progress in the building of training programmes; realisation of the importance of employee relations in the public service; and a new recognition of personnel administration itself" (p. 342). Under the head of "unsolved problems of the war years she records (i) transfer and promotion: the failure to develop "some means . . . whereby individuals with skills to contribute can be discovered quickly by the central personnel agency" (p. 352); (ii) "the handicaps of an inadequate Federal salary structure"; (iii) the failure to control the size of the Federal Service; and (iv) the endeavours of Congress to control subversive elements in the Service, without defining precisely the meaning of "subversiveness."

Instead of examining these statements directly, I propose to distinguish some of the major differences between British and American policies and practice in the field covered by Miss Kammerer's book, and in doing so, to comment incidentally on most of the above statements. It is a pity that the author herself attempts no such comparison<sup>1</sup>. The value of her book would have been greatly enhanced by a balanced review of the manner in which the two countries tackled problems which were essentially the same for both.

In the first place, and setting the tone for almost everything that followed, there was the vital difference between conscription and voluntarism. In Great Britain the first task

\**Impact of War on Federal Personnel Administration, 1939-1945.* By Gladys M. Kammerer. University of Kentucky Press, 372 pp. \$6.00.

of the National Government was to introduce, on 22nd May, 1940, universal conscription of labour, so that (to quote the famous Regulation 58A) "any person of any age might be directed by the Minister of Labour and National Service to perform any service in the U.K. which he was capable of performing." In America, on the contrary, save for recruitment to the armed forces under the Selective Training and Service Act, the Government relied throughout the war on the voluntary principle. With us compulsory registration of all persons within prescribed age-limits was followed quickly by direction of each individual to take up the form of employment, whether in the Armed Forces, the Civil Service, industry or other essential occupation, for which his services were most needed and he was judged to be best fitted. The allocation of numbers to each kind of service was settled by central policy, and no person was allowed to leave the employment to which he had been directed without the approval of the Ministry. Compared with this clear-cut policy, and the centralisation of all action thereunder in the hands of a single department, the Ministry of Labour and National Service, the situation in the U.S.A. seems to us bewildering, if not chaotic. There was no single national authority charged with the control and direction of all, or even of civilian labour. The War Manpower Commission, created by the President in 1942, and empowered to adopt a uniform national manpower policy to apply equally to government and private enterprise, did indeed make "timid and hesitant" attempts to evolve manpower controls, but these of course had to operate within the limits dictated by the voluntary principle, and were

therefore directed chiefly to restrictions on the freedom of employers. Labour, as Miss Kammerer admits, remained throughout the war "quite free and highly mobile. . . . It was never really difficult for a worker to leave any job, regardless of essentiality, inside or outside of government, in order to accept another, possibly less essential but more lucrative" (p. 37). The result was inevitably a constant and increasingly aggressive, but to our eyes somewhat undignified and certainly wasteful, campaign of recruitment for the Federal Service on the part of the Civil Service Commission in competition with other employers. "Government was forced . . . to adopt methods that had been employed successfully by private enterprise . . . for many generations. . . . No hamlet in the hill country, no lonely Dakota farm, no isolated country schoolhouse, could . . . be considered too remote or too insignificant to be overlooked" (*sic*) (p. 44). It is not surprising in the circumstances that the turnover in the public service was alarmingly large. The annual rate in 1942 was 44.35 per cent.; for the departmental service it was as high as 76 per cent. Between June 1st, 1940, and the end of 1944, the number of Federal civilian employees in the U.S.A. rose from 940,000 to 3,015,000; but to fill these posts the Commission had to recruit during the same period no less than 7,750,000 persons.

It is strange that Miss Kammerer makes no mention of the visit of Sir Guildhaume Myrddin-Evans to Washington in the spring of 1942 to act as consultant to the War Production Board on labour supply problems in the U.S.A. in the light of his practical experience of the

handling by the Ministry of Labour and National Service of similar problems in Great Britain. Nor does she refer to the change of opinion in the Administration, as a result of a year's experience of the voluntary deployment of labour into essential services, which led both Miss Perkins (the Federal Secretary of Labour) and the Commissioners to conclude in June 1942 that compulsory national service had become necessary. It would have been interesting to learn what were the circumstances which caused this project to be abandoned.

A second point of difference between the policies of the two countries lay in the responsibility for, and the conditions regulating, recruitment to the public service. In Great Britain recruitment to permanent posts in the Civil Service was completely suspended during the war, and all appointments were made on a purely temporary basis. It followed logically and conveniently that the task of finding recruits for the public service was from the first transferred from the Civil Service Commissioners to the Ministry of Labour and National Service, and by them harmonised with the needs of the Armed Forces and of private employment. In America, responsibility for the whole of the vast recruitment to the Federal Service in all the 48 States of the Union was centralised by Congress, in 1940, in the Civil Service Commission, which in 1942 was brought under the control of the War Manpower Commission. Given the existing conditions, i.e. the decision to rely on voluntary effort, and the absence of any central Government department responsible for the control and direction of manpower, the decision was undoubtedly right; and Commissioner Arthur

Flemming deserves the greatest credit for having persuaded Congress—against their first inclinations—to take it. But when he gave Congress a solemn pledge that the Commission, if entrusted with the task, would “deliver the employees requisitioned in the number, to the place, and at the time required by all agencies directly involved in the war program,” he can scarcely have foreseen how gigantic a task he was imposing upon himself and his department. If in the course of its execution the Commission occasionally met with criticism, both from Congress and from other departments who thought they could do better by recruiting on their own account, this is not surprising: British experience was not wholly free from such embarrassments. But that the task was performed, on the whole, successfully is a remarkable achievement.

It is the more remarkable when one considers that throughout the war Congress and the Commission insisted on the maintenance of the so-called “merit system.”<sup>2</sup> Here again we find a significant difference between the British and American policies. When in 1939 the British Civil Service Commissioners, in agreement with the Treasury, decided to suspend all open competitions for permanent recruitment in the Service, that appeared the reasonable and equitable course in the national interest, since it both eliminated a non-essential task and ensured that candidates would not be allowed to compete during the war under unequal conditions, according as their education had or had not been interrupted by national service, by evacuation, or by absence of experienced teachers on war service.

But it never occurred to anyone in a responsible position that the principle of open competition might be endangered by this course; and in fact when in 1944 the principles of post-war recruitment came to be considered by the Joint Committee of the National Whitley Council, both the Government and Parliament endorsed without hesitation the recommendation of the Joint Committee that open competition should be resumed as soon as possible after the war. Why the contrary practice prevailed in the States, Miss Kammerer does not explain; but presumably both the Administration and Congress felt that the principle of the merit system was not yet so well established that it could be completely suspended for the duration of the war without grave risk that the desire for political patronage would prevent its revival. However that may be, there seems no doubt that its retention, even in the attenuated form which the requirements of the war compelled the Commission to adopt, must have proved a severe clog on the working of the machinery of recruitment. Indeed, when the normal standards of eligibility had so far broken down that there was admittedly force in the current quip: "If he's warm, we'll hire him," one wonders whether the merit system in the later years of the war survived as anything but *magni nominis umbra*.

A fourth essential point of difference between the two systems lay in the absence from the Federal administrative machine of any body possessing the status, experience, and authority, through the standing in the Cabinet of its Ministerial chief, the ability of its staff, and (since the régime of Sir Warren Fisher) its reputation in the Civil Service, of the

British Treasury. If Miss Kammerer had been writing a book on the British Civil Service in war-time, she could scarcely have composed a single chapter without reference to the Treasury, its powers, whether of financial control or as co-ordinator and controller of the conditions of service, the extent to which it delegated its authority in war-time, while endeavouring to maintain uniformity of standards and practice among departments, and its initiation of new policies for the economic use of manpower and the improvement of morale in the Service. In her present book the Treasury is not mentioned once; indeed she never explains in what department or agency the power of the purse resided<sup>3</sup>. As far as the lay reader can judge, the power of financial control, even over the smallest details of personnel administration, lay with Congress itself. In a significant comment on the delay in adjusting basic pay rates in the Service to those paid by private employers, Miss Kammerer remarks that "the executive branch was reluctant to address itself firmly to the pay problem," and adds: "The argument may be advanced that Congress itself should have realised the need for salary modification without waiting for instructions and prodding from the executive" (p. 233). In a treatise on the British system, such a remark would be inconceivable.

Not that the tasks of co-ordinating personnel administration throughout the service and initiating new ideas, such as training schemes, the introduction of "Counsellors" (the American equivalent of our Welfare Officers), and other steps to improve the relations between management and staff, were neglected by the

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Federal Administration. But they were undertaken, not by the Treasury through its expert Establishment Division, as in Whitehall, but by the Civil Service Commission, with the help of the Council of Personnel Administration, a body corresponding somewhat to the meetings of Establishment Officers under a Treasury chairman. But though many valuable improvements were proposed, and the right lines of long-term policy were pointed out—largely, no doubt, through the personal initiative and imagination of Commissioner Flemming—the difficulties confronting the Commission would seem to have been too great. Reading between the lines of Miss Kammerer's book one suspects the existence of four major obstacles: (i) the probability that the Commissioners themselves lacked the weight and authority necessary to overcome departmental resistance to the introduction of far-reaching changes in war-time; (ii) an over-emphasis by the Commission itself on the use of external controls, restrictions and inspections, thus encroaching on and weakening the responsibility of the departments for personnel management; (iii) closely connected with this, was the lack of experience and authority within their own departments of the Personnel Directors, an office which had only been created in 1938; and (iv) perhaps most important of all, the failure of the Administration to attract into the Service in the years between the two World Wars, by the offer of an interesting, responsible, and adequately paid career, a body of really able young men capable of being trained into expert administrators, in the same way as the Administrative Class of the British Civil Service.

Lest these criticisms should be thought too severe, it is only necessary to refer the reader to the volume on Personnel Management (February 1949) in the Report of the Hoover Commission on the Organisation of the Executive Branch of Government. It is a pity that Miss Kammerer did not complete her survey of war-time administration by a final chapter showing, in the light of the grave reflections on the present state of the Service made in that Report, how far the promise of development of personnel administration which had shown itself during the war had been fulfilled, and in what respects it had failed.

Lastly, there is Congress, with its rigid control, under the Classification Act,<sup>4</sup> over the pay and grading of all the "white collar" classes of the Federal Service;<sup>5</sup> its numerous Committees, both standing and special, constantly demanding evidence and reports from the unfortunate officials, and showing a lamentable tendency to prejudice and irresponsibility in their recommendations; and its all-too frequent attitude of obstruction and obscurantism. The British Civil Servant, when he learns from Miss Kammerer's pages that no overtime pay may be granted without a fresh Act of Congress (p. 216); that Senators and Representatives may spend hours arguing by what precise formula the rate for overtime should be calculated (pp. 218-22); that a medical officer could not be appointed in a department without special legislation, which Congress persistently refused to pass during the war (pp. 308-9); and that Congress repeatedly "displayed a 'dog in the manger' attitude toward allowing mere civil servants to approach the salary the legislative

branch received" (pp. 226 and 228)<sup>6</sup>; will marvel that any great public service could function at all under such conditions; and, reflecting on the powers of his own Executive and the habitual restraint and good sense shown by Parliament in matters relating to the machinery of government, will readily join with the author in admiration for an Administration which in spite of these handicaps did not fail to deliver the goods.

Miss Kammerer's book is fully documented throughout; and there is a useful index, which however surprisingly omits from its headings Congress, the Senate, and the House

of Representatives, although each of these figures prominently in the text.

The worst thing about the book is its style. It is sad to find an associate professor of political science guilty of such "Gobbledy-gook" phrases as: "in order to effectuate the smooth functioning of training activities" (p. 136); or "Such requests have not however been productive in terms of usefulness in the placement process" (p. 195).

Nevertheless the student of public administration owes the author a debt for her pioneer work in an important field, which still awaits cultivation from the British side.

<sup>1</sup>Her only references to British procedure are a passing mention of Whitleyism (pp. 317 and 349), and the brief remark that "by shifting the emphasis from a demand for specialised skills for discrete tasks to a judgment of the probability of the ultimate development of recruits in any of several positions, the Federal Civil Service approached more closely to the traditional British view of recruitment and selection" (p. 349). Unfortunately she did not follow up this pregnant observation.

<sup>2</sup>Unfortunately the author does not explain precisely how the merit system works in the Federal Service, nor what is meant by the "rule of three." It is not open competition as we understand it, with the candidates automatically receiving appointment in the order of merit in which they were declared successful by the Commission: that had been declared to be unconstitutional by the opinion of an Attorney-General in the latter half of the 19th century. It is rather a system of *qualifying* competitions, open to all candidates who fulfil the prescribed conditions, in which the candidates who qualify are offered to Departments in batches of three, for acceptance or rejection, until the Departments are satisfied.

<sup>3</sup>The Bureau of the Budget was authorised by Congress to fix personnel "ceilings" within each Department, but only for "Classification Act" staff; otherwise its duties do not seem to have been financial.

<sup>4</sup>The Act was not amended between 1930 and 1945, and not again until 1949.

<sup>5</sup>A control so rigid that the War Department was obliged to pay its stenographers in a local arsenal \$1,440, the rate fixed by the Act, although the local rate was only \$960 to \$1,200.

<sup>6</sup>Legislators received \$10,000 p.a.; the Act fixed the rate for the highest class of civil servant at \$9,000. These rates were subsequently raised to \$12,500 and \$15,000 respectively; the Task Force Report to the Hoover Commission suggested a further increase to \$20,000 and \$25,000.

# The Place of Further Education in the Public Services

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*The Fourth Will Harvey\* Memorial Lecture, given at Sheffield, 29th September, 1951.*

IN my choice of a subject for this tribute to Will Harvey's memory I was guided by my conviction of its importance and by curiosity to know what was being done. Further Education in the Public Services—the Armed Forces, the Civil Service and the Nationalised Industries—is vital to the successful solution of the many new problems they have to face.

Today, too, the Public Services account for nearly 20 per cent. of our working population, based on the following rough estimates—Armed Forces 800,000 — Civil Service 675,000—National Government Service (Dockyards, Ordnance Factories etc.) 745,000—Nationalised Industries 2,300,000—in all 4,400,000 out of a working population of 23,200,000, as compared with 750,000 in the Armed Forces and Civil Service in 1925.

The years that have passed since Harvey left Fircroft are probably the most eventful in human history. I am sure he would have been interested in the far-reaching and rapid changes in society that separate the problems of Further Education of today from those of the Adult Education Report of 1919.

In 1923 we were still thinking optimistically of a return to pre-war conditions, to recovering that steady

unbroken economic progress of the 19th century. But the conditions that had made the 19th century ended with it; as the Americans said "the frontier was reached." There were no longer fertile virgin lands, with climates suited to the European, waiting to be exploited. It is true that a new frontier had opened—the progress of science had given man a new understanding of nature and placed new powers in his hand.

The progress of engineering, too, had given man new standards of production. But neither in the national or international field did these new techniques bring peace and happiness. While technical progress had improved conditions of life immeasurably in the more advanced countries, the greater complexity of society, and the substitution of mechanised production for the craftsman with his long apprenticeship, had destroyed the old feeling of stability and the old loyalties that meant so much to the individual. Elton Mayo put it so clearly in the last book he wrote before his death *The Social Problems of an Industrial Civilisation*. In his chapter on "The Seamy Side of Progress" he contrasts the old established society with the complex organisation and shifting pattern of the adaptive

\*Will Harvey was a medical student at Balliol from 1905 to 1910. His interest in adult education took him to Fircroft as a tutor in 1913 and he returned as Warden from 1920 to 1923 when he had to resign owing to ill-health. This was largely the result of an act of gallantry when he was serving in the Royal Navy as a Surgeon Lieutenant in 1918, for which he was awarded the Albert Medal. He wrote several remarkable books of short stories—*Midnight House*, 1910, *Midnight Tales*, 1946, and *The Arm of Mrs. Egan*, 1951, two published posthumously. He died in 1937.

society of today and points to our failure thus far to develop a new social skill to meet its needs. Mayo was a skilled clinician and he and his co-workers had done much to diagnose the causes of the ills of an industrial society and to point the way to cures. Collaboration in an industrial society cannot be left to chance. Happiness in a social group depends on the satisfaction of material and economic needs but equally on the maintenance of spontaneous co-operation throughout the group. "While we have succeeded in the first," said Mayo, "we have failed in the latter."

This is equally true in the international field and there the spread of aggressive nationalism and the temptation to misuse science to gain world domination has been responsible for many of the catastrophes of the last 20 years. It is paradoxical that just when the development of easy and rapid communication has brought a new awareness of the world's problems and of the inescapable community of interest among nations, it should have yielded such a bitter immediate harvest.

Contrast for a moment the stability of outlook before 1914 with the frustration of today when the news consists so largely of the tragic situations in many countries and the setbacks to progress. Faith is indeed needed in man's destiny.

I remember discussing some of the problems of the future with Lord Keynes when he said suddenly "But your idea of the post-war world seems to be a sort of charity organisation society and I tell you that will only last as long as the subscriptions and that won't be long." That, of course, was in the

days when we had hopes of Wendell Wilkie's "One World" and all it might mean to the future. An illusion that was quickly dispelled.

Today, Marshall Aid, President Truman's Fourth Point and the Colombo Plan are among the answers to the challenge to freedom and democracy. And it is this challenge which must, for the moment, dominate our approach to the problems of Further Education. There are many other considerations arising from the changed conditions I have outlined, but it is the threat to our way of living that must inspire our thoughts, just as it inspired the gentle spirit of Will Harvey in 1916 to equip himself for war.

It is surely an anachronism to think of Further Education as compounded of vocational training with education for leisure. In this complex and troubled world in which we live, it is education for co-operation, for efficiency, for an understanding of the issues we are facing, education for the defence of individual freedom and justice, education in our way of living that has to justify itself.

Lest you should think me unduly pessimistic in what I have said of our failure to develop social skills, let me add that were Elton Mayo still alive, he would, I think, be comforted by the forces that are now stirring in this country to moderate, if not to cure, the ills that he had diagnosed so accurately. Let us see what is happening.

### The Armed Forces

I will start with the Armed Forces as they have a long tradition of education, continuing throughout the term of active service. In the Royal Navy education began in the 17th

century, in the Army in the 18th, proving its worth in Sir John Moore's famous school at Shorncliffe before the Peninsula War. Throughout the 19th century the technique of continuous training at all levels was developed in the Army by Schools of Instruction, Senior Officers' Schools, and the Staff College, where the basic doctrines of organisation were formulated, to be adopted later by the great industrial undertakings of our time. All this is equally true of the Navy with its War College at Greenwich. From the military technique of adult training, civilians had later much to learn.

Until 1914 instruction in the Services was mainly aimed at producing fighting efficiency and leadership, but the first war brought a great development of adult education in the Forces which carried on into the inter-war years. In the Army, due largely to the influence of Lord Gorell, the Army Education Corps was formed in 1920. In the Navy the increased demand for both technical and basic instruction was met by the appointment of Instructor Officers. In the Air Force, Education Officers were appointed in 1920 to provide "education in a wider sense tending to raise the level of general intelligence and to develop those qualities of mind and character which go to form an efficient disciplined force under modern conditions." (King's Regulations and Air Council Instructions.)

War in 1939 again brought fresh problems with the vast expansion of the Forces, the complexity of modern weapons and techniques and the varied fields of war. These were met by an extension of the education schemes, and the need to arouse the interest of the Forces in the full implications of the war led to the

discussions of current affairs and citizenship, which soon became a feature of Service life. Demobilisation brought into existence the excellent educational and vocational training schemes as a preparation for return to civilian life.

And now National Service presents a new opportunity and fresh responsibilities. For the first time it is possible to get a general survey of the results of school education three or four years after it has ended for the majority and this should serve as a most useful review of our present methods and curriculum. Incidentally, the results emphasise the need for the continued education planned in the 1944 Act between the ages of 15 and 18. While the primary objective and the only justification of National Service is military training, there is a great opportunity in the two years of corporate life in the Services to improve the education of the average recruit and to send him back to civilian life with a heightened sense of discipline and morale, and with an intelligent interest in current affairs and in the part Britain is playing in the world today. It is a challenge to the Services so to use these vital years in a young man's life that he will look back with pride and affection in the same sort of way that many a man thinks of his undergraduate days.

### Private Industry

Before turning to the Nationalised Industries, let us glance quickly at what has been happening in private industry. The last two decades have seen a growing realisation that here, too, education must be a continuing and progressive process throughout the working life and at all levels. Many experiments have been

made to find the most promising methods, and it is heartening to see the enthusiasm which they have inspired and the success that has attended them. Speaking in Sheffield I turn, naturally, first to the Iron and Steel industry which has such a fine record in this respect. The Training Committee of the British Iron and Steel Federation has done magnificent work, and the Reports of their Annual Training Conferences deserve a wide circulation. Thus, on nationalisation, iron and steel already had an industry-wide organisation for Further Education with an Education Officer in many of the works.

For my immediate purpose I am going to select just one example of pioneer work from many, as it illustrates the possibilities of close co-operation between industry and Local Educational Authorities. Under the 1944 Act, provision was made for part-time education to continue between the ages of 15 and 18 at County Colleges as soon as the necessary buildings are available. As I have said, experience of National Servicemen in the Army has shown how necessary this is. Realising this, the United Steel Companies and Messrs. Stewarts & Lloyds and other steel firms, made arrangements with their Education Authorities to implement the Act in advance, and they now have several years' experience to show the benefit of this both to their young people and the industry. I have heard the view argued that this day-release education should be deferred until County Colleges have been built, but surely it is vital to start as soon as possible even with improvised accommodation, and learn by experiment how it can best be adapted to the needs of each locality. Then we shall have continuity of

education, starting with the school years, continuing in day-release, then National Service, finally merging into the Further Education of the adult years. The part of the schools is indispensable. That is the time of preparation, but, to quote Sir Hector Hetherington, "the best fruits of learning are slow to ripen but are gathered in later life."

My own connection with Sheffield goes back to my service with the L.M.S. Railway and to this mainly I owe the high distinction of being an Honorary Graduate of your University. It is appropriate therefore that I should take as another example the L.M.S. School of Transport at Derby. The idea was born, I think, in the fertile brain of Sir Ernest Lemon, and nurtured by the sympathetic encouragement of Lord Stamp. The original plan was to convert a derelict mansion near Crewe but the Directors rightly said "if this is worth doing it is worth doing well," and their wise decision and the skill and taste of our Chief Architect, Mr. William Hamlyn, gave us in 1938 a building at Derby admirably suited to its purpose. It was, I think, the first residential college built by private enterprise. For our Principal we went to the Army with its long experience in the technique of adult education. The success of the school owed much to Brigadier Manton and his staff of railway officers who under his leadership soon became skilled instructors. The courses were interrupted by war but they quickly proved the value of a residential centre.

It is almost invidious to choose from the training schemes of other companies but I will pick out a few which seemed to me to be of special interest.



Fircroft itself, situated in Bournville, suggests first the name of Cadbury, a firm and family that for many years past have made such great and imaginative contributions to adult education.

Metropolitan-Vickers were outstanding pioneers. Their Works School was founded 40 years ago and today half their day-release course consists of gymnastics, civics and current affairs. Their Post-Graduate Apprenticeship Course which was started thirty years ago gave a lead which has been followed by many other engineering firms.

Courtaulds, like the steel companies, have pushed ahead with day-release education between the ages of 15 and 18 and their experience has been most encouraging and justifies what I have said about improvised accommodation.

Imperial Chemical Industries, continuing their experience with Training Within the Industry (T.W.I.), which their Education Officer was largely instrumental in bringing from the United States during the war, have developed full-time courses for foremen and supervisors lasting from 2 to 3 months, on a divisional basis.

Unilever have also developed interesting residential courses for the training of supervisors to which a number of supervisors from other industries come to discuss their common problems.

### **The Nationalised Industries**

The Nationalised Industries were all faced on vesting day not only with the responsibility under their Acts for Further Education, but with many problems in which education was bound to play a leading part—the problems and difficulties arising

from their size, their scattered units, the complexity of their organisations, and the difficulties of remote control.

In spite of the short time that has elapsed it is most cheering to find the progress that has already been made, and the spirit and enthusiasm with which this question has been attacked. The realisation everywhere of its vital importance and the boldness of experiments that are under way is a good omen for the future.

Size has its advantages in some directions, for example, in the generous provision made by the National Coal Board and the British Electricity Authority for scholarships tenable at Universities or Technical Colleges open to all full-time members of their staffs, thus giving them a great opportunity which otherwise would not come their way. The Coal Board awards are mainly for courses in mining and other engineering subjects while the Electricity Authority's scholarships which come under the aegis of the National Joint Advisory Council may be held in almost any subject leading to a degree or other qualification or may include a post-graduate course.

Mr. Justice Brandeis, one of the greatest members of the Supreme Court of the United States, often based his judgments on human considerations, and he once gave an adverse decision on the grounds of size. I was in Washington at the time and I asked him what was his criterion of undue size. He said it would depend on circumstances but in general he had observed that when, as a result of size, management had become mechanical as opposed to personal it always led to unhappiness, to which I added that in my experience it also led to inefficiency.

In a small business it is far easier for each individual to realise the part he has to play and how he fits into the scheme of things, and for those in executive authority to see the inter-working of the various parts. With increasing size and with its inevitable specialisation this becomes increasingly difficult, though much can be done by devolution and by continuous education at each stage as in the Services.

The biggest problems facing the Nationalised Industries are probably those of human relations, and to these the continuous process of Further Education at all levels is the answer. Let me try to give you a brief survey of what is already being done in this direction.

The problem divides itself at different stages and levels into :—

1. Training of the entrant both on the job and in the part he has to play in the organisation.

2. Training for advancement, either through greater efficiency or in a more congenial task or for promotion, for example, the Ladder Plan of the National Coal Board.

3. Training of foremen and supervisors in the technique of leadership and in human relations.

4. Training for management, so that there are always enough individuals who understand the working of the organisation as a whole, its relation to the needs of the community (its customers), and the modern practice of administration.

5. Training in the new techniques of modern industry, for example, joint consultation, labour negotiations, and productivity studies including motion and time study and job evaluation, and to

these I hope there will soon be added the methods and results of operational research.

6. Training in relations with the public and salesmanship.

In addition to these training schemes there are the exchanges of staff with their opposite numbers in other countries, which are so valuable and help towards a better international understanding, for example, the British Electricity exchange schemes with *Electricité de France* and with the *Società Edison* of Milan.

Many experiments are being tried at each level both by training within an industry and by the use of outside resources or a combination of both, with great advantage from the varied experience that is being gained. Let me give you an example of the value of diversity. Fritz Haber, the great German chemist, once said to me after the 1914-18 war, "I knew from captured documents that you had twelve Corps Gas Schools. How did you know that those fellows were not teaching damned nonsense? I had one school in Berlin and I went each week to hear what they were doing." Well, of course, those twelve schools produced a variety of suggestions from which we could select the best, and they were an invaluable two-way channel of ideas from above and below. It is one of the great virtues of Further Education that it does offer a free passage of ideas in both directions that is so valuable a human safety-valve.

Much is now being learnt of the technique of Further Education which, as I have said, owes a lot to Service experience. The formal lecture is beginning to take a back place, and be replaced by discussion

groups. I remember giving a lecture to Sir Ivor Maxse's Division just before the Battle of the Somme, and at the end, instead of the customary bouquet, all the General said in his incisive way was "There is only one useful thing about a lecture and that is the questions afterwards. Colonel X will ask a question." He had no doubt observed that Colonel X had been enjoying a well-deserved repose during my remarks, but with his comment I am in entire agreement.

Experience has proved the great value of residential courses away from the job, where men and women drawn from various jobs and levels meet to discuss their common problems and to get to know one another. Some authorities have their own residential centres like Horsley Towers and Buxton of British Electricity, and the Schools of Transport at Derby and Darlington of the British Railways. There is also the use of the Oxford and Cambridge Colleges during vacation, which provide an ideal background for such courses, and the residential facilities of Local Education Authorities such as Burton Manor and Urchfont Manor.

And now may I leave the problems of these short courses to speak for a few moments of the work of a group of residential colleges that provide full-time courses extending over one or two years. I feel that an address on Further Education given under the auspices of the Old Firecrofters Guild Committee would be incomplete without some tribute to the fine work that is being done by that group of Colleges which includes Avoncroft, Firecroft, Harlech, Newbattle and Ruskin. All were founded by voluntary effort and they give an opportunity to workers, both men

and women, to devote one or two years to sustained full-time study in a variety of subjects. The subsequent careers of their students show what a valuable opportunity this has been for them, as so many of their names are prominent in public service in different fields. These Colleges are in a way Universities in miniature as their students enjoy the impetus that comes from sustained effort under surroundings that conduce to study, to a full intellectual life and to a more intimate knowledge of their fellow men.

The favourite procedure in the short courses of which I was speaking is to break up into syndicates or discussion groups of six to ten individuals who elect a fresh Chairman for each subject or exercise, work out their own solution by discussion amongst themselves, which is then presented by their Chairman at a meeting of the whole course. The opportunities given in this way for intimate discussions, ironing out personal differences and finding a common point of view, establish a co-operative atmosphere and mutual confidence that would be hard to attain in any other way.

I was specially impressed by the preparations for short managerial courses by the National Coal Board and British Electricity Authority, for which briefs on each subject in the programme are sent out a week ahead so that everyone comes prepared. The speaker can then touch on the main aspects of his subject, leaving each discussion group to formulate its own conclusions and present them at a joint meeting for final comment by himself.

Next comes the question of the source from which the teachers can be drawn. Local Education Auth-

orities and Universities have given invaluable help, and whenever problems involving political and economic issues are debated there is a great advantage in having a neutral Chairman. But there seems to be a growing feeling that the most productive approach, at any rate at the lower levels, is through the job, which gives it realism and an easier appreciation of its value. The experience of the Services is exactly the same. As a result, teachers are being trained from among those with working experience in each industry, and they are often helping in the Education Authorities' Schools and Courses which thereby acquire a co-operative character. The British Railways, for the time being, have two residential schools for the training of teachers at Darlington, working under one Principal with long experience in this field.

Starting out from the study of the job, there is a natural and easy sequence to follow—the relation of the particular job to the unit of which it forms a part, the relation of the unit to the rest of the industry, the part that the industry plays in the economy of Britain, the salient points in the world picture which influence our economy and national life and, above all, the challenge to our way of living which we now have to meet.

The main objective of Further Education must be the improvement of human relationships, the establishment of mutual confidence and community of interest, a realisation of the difficulties which Britain has to face, and their inevitable consequences which sometimes seem so frustrating. In no other way can we hope to escape from the misunderstandings and mistakes which must ultimately affect everyone adversely. You will

remember Wendell Wilkie's famous dictum "That to raise the standard of living of any man anywhere in the world is to raise the standard of living by some degree of every man everywhere in the world." Some day there must come a realisation that the effect of industrial disputes and restrictive practices is inevitably to put this process into reverse.

### Civil Service

I come last to the Civil Service about which I learned a little as a signatory to the Assheton Report on the Training of Civil Servants in 1944. Seven years have seen great changes and a great expansion in the responsibilities and scope of the Civil Service. When I read our report again I felt that today we should have been much bolder in what we wrote about Further Education. However, most of our recommendations for training have been implemented, and happily progress has been made beyond them. The days are passed when the main work of the Civil Service was the shaping and drafting of legislation to ensure that policy was given a form capable of administration, and then administering it with meticulous accuracy and unimpeachable fairness. Changed economic conditions, shortages of every kind leading to controls, international finance and trading, the nationalisation of industries have added new and great responsibilities calling for qualities and experience of a different kind. I recall Sir Josiah Stamp saying to me when I joined the L.M.S. "When you were writing a paper for the Royal Society you were trying to be 100 per cent. right, remember on the L.M.S. you are doing well when you are 60 per cent. right." And that is applicable to much of the work of the Civil

Service today which involves quick decisions in changing circumstances.

The Training and Education Division of the Treasury is responsible for general control and guidance in the field of training, but the main responsibility rightly rests with each Department with its Departmental Training Officer. In the departmental courses for various grades special attention has been given to the training of supervisors, to training in public contacts, and, with the help of Sir Ernest Gowers's incisive study *Plain Words*, to the use of English. The Civil Service Council for Further Education has the responsibility for encouraging Further Education throughout the Civil Service and arranging with Local Education Authorities for the facilities that Civil Servants need. It is also entrusted with the responsibility for the day-release of members of the staffs under 18, and their attendance at day-continuation classes.

The Civil Service hitherto has made comparatively little use of residential courses, but there is a tendency to increase them now, and some departments, for example, the Post Office and Ministry of Works, have their own residential centres. I was particularly impressed by the planning of the Post Office Management Courses at Stoke, which are on very broad lines and cover most of the human and organisational problems of modern industry.

The Training and Education Division of the Treasury organises a number of inter-departmental courses for higher staff covering a wide field and bringing together representatives of different departments to discuss the modern problems of Government. Still more important, in view of the wide responsibilities of the Civil

Service, is the generous provision now made for more than fifty Civil Servants each year to go abroad to study methods and procedures in other countries, or to attend courses at the Imperial Defence College, the Joint Services Staff College or the Administrative Staff College at Henley. At the latter, Civil Servants meet young administrators drawn from all walks of national life on a twelve weeks' course of studies, the objects of which are the investigation of the principles and techniques of organisation and administration in civil life, and the promotion of a better understanding between those in charge of different spheres of activity.

Much has been done but I still think that what we said of background training and Further Education fails to give the lead that is needed today. I am thinking, by contrast, of Sir Fred Clarke's challenging sentences in his recent lectures on "The Price of Democracy" and "Adult Education." Let me quote some of them. "Here we have the clue to the serious non-professional adult student. We may describe it as primarily the seriousness of *commitment to action*. He is wanting to know what he is to do, both as person and citizen. . . I agree that this student may also enjoy the satisfaction that comes from the consciousness of well-used leisure and the joys of satisfied curiosity for its own sake. All the better if he does. . . Nevertheless, the distinguishing mark of the serious adult student must be what I have called '*commitment to action*,' together with the touch of passion that this implies."

"The appeal of adult education is to adults *as such*—it is *their* response

that is in question. The ideas and forces to be grasped are such as require a certain maturity for their apprehension. The objective, therefore, is not so much formulated knowledge as *rational interpretation of experience.*"

Those sentences of Sir Fred's seem to me to express so well the new emphasis and direction of Further Education and its integration over the whole of training and education in the adult years.

### Conclusions

I have tried to summarise for you very briefly in this lecture the results of my unavoidably hasty researches into this vast field. There are inevitably many gaps and inaccuracies and perhaps an undue insistence on my own layman's point of view, believing as I do so firmly that the hope of this country in the future lies so much in education in its broadest sense.

There are two omissions I must remedy. Time and space have compelled me to omit any reference to the important developments in training that have taken place in the Local Government Service. I have made no mention too of the growing and important contributions to Further Education made by the extra-mural departments of the Universities and by the Workers' Educational Association with which the Universities co-operate so closely. The residential courses for trade unionists organised by the W.E.A. at various centres form a most valuable counterpart to further education in industry. These courses go far beyond the immediate problems of the Unions and they cover such wider issues as joint consultation, full employment, productivity, standards of living and defence expenditure.

Among the many papers and pamphlets I have read in preparing for this lecture, it is appropriate that I should mention here the brilliant study of Joint Consultation and Responsibility in Modern Industry written for the W.E.A. and the Workers' Educational Trade Union Committee by Mr. Roper, the Senior Staff Tutor of the Joint Committee for Tutorial Classes of Sheffield University.

Mr. Roper's searching and objective analysis goes to the heart of the industrial problem Britain is facing to-day. The problem is two-fold. On one hand we can only keep our place in the world and our standards of living and way of life by greatly increased productivity, and on the other we have to find ways of curing the maladjustments and the lack of mutual confidence that are present in our rapidly changing society. The two problems are inter-dependent. The best hope of securing real community of interest and giving satisfaction to the individual lies in joint consultation and recognition of the contribution that each individual can make, and his responsibility to do so. Many experiments are now being made. It is essential that they should be realistic and the paramount importance of the foreman and the supervisor must be recognised in this new channel of interchange of ideas.

To meet the new range of responsibilities that joint consultation in its fullest sense implies, the realisation in fact of industrial democracy, a new chapter in education must be opened, both for Management and for the Trade Unions. Here lies the most urgent task for Further Education and its opportunity in the immediate future.



# Competition and Rivalry

By H. DAWES

*Mr. Dawes, Secretary to the Durham Division of the National Coal Board, was formerly Board of Trade Controller for Wales.*

THE problem of finding measurements of efficiency in the public service and in nationalised industry, and having found them of using them to improve all-round performance, is, of course, extremely difficult. It has been talked over a great deal during the past few years, particularly since the nationalisation programme started in 1946. Everywhere the close relationship between efficiency and competition and rivalry is recognised, but there is not universal agreement on the nature or effects of this relationship. In this paper it will be argued that rivalry, as distinct from competition, can be effective in stimulating efficiency in the nationalised industries, even where conditions of complete monopoly exist, and that those in charge of these industries seem well aware of their opportunities to utilise the innate desire which exists in most men and women to do better than their neighbours.

It will be well to begin by defining terms and to emphasise the fundamental difference between competition and rivalry. The fact of competition is, of course, well known in all modern industrial societies, but as a concept in sociology it appears in many guises. Here "competition" means the state existing when producers or suppliers of goods and services sell in a common market. They compete for the custom of the same group of people. "Rivalry", however, means a situation in which the producers, while having something in common (for instance, they may be making the same kind of thing), are not supplying the same market. They do not try to sell to the same people.

One fundamental difference between competition and rivalry is clear. Where industries or services are in competition with each other, failure may mean annihilation, whereas in the case of rivalry, there are no such consequences. Failure to outshine a rival does no more than provide evidence by which those in authority can judge the quality of their executives.

Only in recent years has the problem of incentives in public monopolies been seriously examined. This is also true of the problems of incentives in private industry, whether monopoly or competitive, for until the years just before the war it was widely believed that the self-interest of the entrepreneur would always ensure efficiency except in monopoly conditions. Through the period of our modern industrial history, it has been assumed that so long as competition exists between businesses, there is no need to worry about their internal organisation, for the need to avoid loss will lead the directors of private firms constantly to be on the lookout for ways of reducing costs.

## Increased Interest in Efficiency

There were many other reasons why there was no great concern before the war with the problem of efficiency in public monopolies and with the problem of incentives to efficiency. For example, the great monopolistic organs of government, the central government departments, the armed forces and local authorities, were always treated as organisations separate and apart from industry, with very different methods of main-

taining efficiency. It was assumed that the extreme care exercised in choosing personnel, the competitive examinations, would recruit the right sort of fellow, who would be efficient enough for the purpose because he wanted to be and because he had the ability to be so, while the jealously preserved codes of honour would take care of the potential backslider. Then, too, the advocates of nationalisation rarely argued their case on the need for improving the efficiency of the industries they proposed to nationalise. The members of the I.L.P. and other early Socialists took the line that they wanted nationalisation because the acquisitive society was immoral and ought to be changed. Since that was the plane on which the argument was being conducted and the Socialist State seemed far away, there was not much point in being greatly concerned about the problems of efficiency in public monopolies.

Where there were examples, in the years between the two wars, of competitive industries being turned into monopolies, sometimes with the help of the State — the agricultural schemes, or the redundancy agreements, as in tinplate and shipbuilding — it was obvious that formation of the monopoly was not for the purpose of creating a new form of organisation in which the question of efficiency and enterprise might be considered anew, but merely of altering the size of the industry and making it safer for those still left in. Finally, Britain was a victim of her history. Hope and expectation persisted that sooner or later competition, so successful and kind to Britain in the nineteenth century, would restore efficiency to her sick industries and bring them back to prosperity.

In other parts of the world a different attitude appeared. In Germany, for example, it was already possible for firms in competition with one another collectively to employ a firm of consultants to analyse their cost structures and evaluate the incentives within their separate organisations; and while in Britain and in the United States few economists were prepared to question the ability of competition to provide adequate incentives, this organisation in Germany — the *Reichskuratorium für Wirtschaftlichkeit* — was proving conclusively that effective competition in an industry could exist at the same time as a low level of efficiency in the individual firms.

With the election of the Labour Government the situation in Britain changed radically, and the problems of establishing and maintaining efficiency in large-scale monopolies run for the State by nominated boards had to be faced squarely. The organisation of the new State monopolies was to be very different from that of the existing major State industry in Britain, the Postal, Telegraph and Telephone Service. Perhaps more attention might with advantage have been paid to the long history of that successful national enterprise. It is significant that during the debates in the House of Commons when the bills nationalising the industries were being examined, the discussion was almost entirely about economics, and the old contention that the nationalisation of industry would produce a new form of society and a new relationship between individuals was largely ignored.

### Decline in Competition

It will help to examine briefly the evolution of private industry since 1939, because its problems are in many ways comparable to those con-

fronting the public service. Owing to Government control and the regulation during the war and in the six years since its end and to the continuation of a high level of demand during that time, competition in the home market for much of British industry has been substantially reduced. During the past four years many new enterprises have started up in the Development Areas. Factories have begun operations in Welsh mining valleys, in Scotland and in the coalfields of the North-East and Cumberland. Before the war few industrialists would agree that newly established manufacturing industry could succeed in such places. In the post-war period most of the firms in the Development Areas have started well and so far have operated successfully, selling at the same price as larger and older established undertakings in the traditional manufacturing centres. There has been room for all in the market, but what of the relationship between prices and costs? There can be one of two explanations: either the firms in the old centres are so inefficient that a newcomer can start under great handicaps and still succeed, or alternatively there is a wider margin of profit in the older undertakings than is ever made public. Entrepreneurs of private industry and organisers of public monopolies have been so comfortable since the war that they might easily have done nothing to improve the efficiency of their undertakings. There is no doubt, however, that both in the bigger private concerns and in the nationalised industries a great deal has been done (stimulated to some extent by the prospect of an early end to the seller's market) to find ways and means of reducing costs.

Overseas competition for British industry is becoming keener, and pri-

vate industry is finding increasing difficulty in holding markets won during the post-war years when the need throughout the world to replenish stocks provided very easy selling conditions.

The Coal Board still enjoys easy foreign markets, but it becomes clearer that foreign customers, who less than two years ago were anxious to obtain fuel from Britain at almost any price, are beginning to compare the quality and price of British coal with those of suppliers from elsewhere. Similarly, the Civil Aviation Corporations are meeting increasing foreign competition as the recent belligerent nations turn their attention to the development of civil flying. For these two nationalised concerns at least, there is the yardstick of competition with which to assess efficiency. The receipts from the sale of coal or the revenue obtained by the civil airlines may be set against the costs of providing the fuel and the transport services; but since, for the Coal Board, the volume of foreign sales is a very small part of total production and the export price is substantially higher than that at home, it is doubtful if competition on these sales alone has any effect on the efficiency of the organisation.

Direct foreign competition affects none of the other nationalised industries except possibly rail transport, in which some of the routes are in competition with foreign ships. This may stimulate efficiency in that part of the organisation immediately concerned, but can have practically no influence on the nationalised transport industry as a whole. Competition in private industry has diminished in intensity in the home market during the post-war period compared with pre-war, while strictly within each of

the nationalised industries there is no competition at all, for the boards have been deliberately given monopoly powers. It is worth remembering that in nearly all these industries monopoly control was widespread before they were nationalised. The gas and electricity industries consisted of many small monopolies, the railways were a few large monopolies with working arrangements between them where their interests clashed; even the coal industry had lost much of its internal competition as a result of price control, quotas and selling schemes. As monopolies under private control with little or no competition within them, these industries were still subject to a good deal of competition from each other. This has been temporarily masked by the post-war shortage, but has not been in the least disturbed by the nationalisation measures. Indeed, it seems to have been the intention of Parliament in nationalising the fuel industries (coal, gas and electricity) that competition between them should continue and, if possible, increase. When the post-war stocking boom finally disappears, this may well occur in spite of the close working arrangements being established between them.

On the other hand, the new Transport Commission is specially enjoined to integrate all forms of transport under its control in order to prevent ruinous competition between the various services. The Commission, given control of almost all internal transport and told to construct an integrated national service, was also given authority to offset the losses on one part of its undertaking by the profits on the others. Although the various executives of the Transport Commission have been given much free-

dom to operate their individual services, they are still under the direct control of the Transport Commission and, if one of them makes a loss, the Commission may balance its accounts by raiding the profits of another. There may be a special reason for this, in that everyone recognises the railways are unlikely to earn enough to cover the interest on the sums paid for the vast amount of capital sunk in them. In any case, there are many powerful economic arguments in favour of the national co-ordination of transport.

It is too early in the lives of the nationalised industries to draw definite conclusions on the role of competition between them, and on the effect of such competition on the efficiency of their organisation and operation. There is no competition within the nationalised industries, for there was very little of it in these industries before nationalisation, and nationalisation finished it off. There is still, in some cases, competition from abroad, and this is likely to grow, but, with the exception of the civil airlines, the competition will affect only a part of the output or small fraction of the service, and therefore is unlikely to be adequate in itself to develop and to maintain efficiency.

### Alternatives to Competition

All the Nationalisation Acts provide for the appointment of a Council to represent the consumers of the product or service in question. This Council is enjoined to keep an eye on the operation of the industry. It must accept representations from consumers and has power to ask questions of the organisers and operators of the nationalised industries and demand

answers from them. There has not yet been enough experience of the operation of the Consumers' Councils; but so far they have not fired the public imagination. There is a widespread feeling that they are ineffective and relatively unimportant. At the same time, the introduction of a Consumers' Council into monopolised industry is a new feature which, if properly developed, might play a part in stimulating efficiency. The fact that the organisers of an industry may have to explain their costs and justify their selling prices to a Consumers' Council operating in the glare of publicity, might stimulate them to pay careful attention to the administration of their industry. The consequences of an adverse report by a Consumers' Council and critical publicity in the Press and Parliament could be formidable. Organised consumers may yet take advantage of this machinery to call for a review of prices.

A reference to the cost structures of nationalised industries may be appropriate here. Most of the newly nationalised industries require vast expenditure on equipment, if they are to be modernised and made efficient. In such conditions the greater the capital outlay the more will the organisers or the controllers of the industries be anxious to increase the output. Insofar as the volume of new investment in these industries under nationalisation is greater than it could have been under private ownership, the urge to increase output and therefore ultimately to lower prices is intensified. There is no such effect in the case of derelict equipment working to the limit, but with new pits, power stations and gas works planned to deal with a load in excess of that so far achieved, the greater the output,

the lower will be the costs of production, until the optimum output is reached. Properly devised, the investment policy of such nationalised industries may be a powerful aid to efficiency not only through the introduction of modern plant, but by stimulating energetic action to keep down costs. An internal urge of this kind to economise to the limit not only on prime costs but also on overheads which in the main are administrative costs, so that a large output can be sold and the advantages of large-scale operations reaped, is of first importance. The tendency of monopolists to aim at maximum monopoly revenue will not be absent but the huge investment in capital equipment will make the level of output at which this is obtained a very high one. In any case, there are the Consumers' Councils available, if not ready, to expose any attempt at monopoly exploitation while those in charge of the nationalised industries are operating a public service and have been chosen to do so largely because they are men of integrity prepared to accept public responsibilities.

If competition is likely to be ineffective as a guarantor of efficiency in the nationalised industries, will rivalry be any better? The nationalised Boards are in a good position to foster the development of rivalry between the constituent parts of the organisations. In the first place they produce vast quantities of a uniform product. Coal varies a great deal, but there is enough of each grade for the performance of the units producing it to be compared, and for the men concerned to be induced to compete in performance with each other. The pits, groups, areas and divisions have similar characteristics and where they differ it is possible by

means of costing and the use of indices, to reduce the performance of each to a common level so that comparison can be made. Comparison in some other nationalised industries is easier still, because the products or services they supply are more homogeneous. Secondly, these industries employ mainly men, and it is much easier to persuade men to compete in rivalry with each other than it is to persuade mixed groups or organisations which employ mainly women to do so. Men are more responsive to the challenge of competition and will try to beat the performance of the next set of men much more readily than will women. Thirdly, the nationalised industries are large and employ very many people. It should be possible, by sensible propaganda and intelligent organisation, to make the offer of "glittering prizes" to the successful key men in the organisation an effective stimulus to greater efficiency right through the organisation. Good leaders, foremen or managers, as the case may be, ought to have much greater opportunities for advancement in a nationalised industry than they had in the days when the individual firms in control were relatively small, pretty much alike, and competing on the same level. There were opportunities then to change from the service of one employer to another, but the top rung of the ladder was not very far from the first.

Lastly, the rank and file in most of the nationalised industries are still fully in sympathy with nationalisation. The mining areas and the railway towns returned big Labour majorities at the election in November 1951. There is little sign of dissatisfaction with nationalisation among the trade unionists, though

they press continuously for higher wages. It seems certain that so long as those in control offer good conditions and security to the workmen, and appeal to their patriotism, they will receive co-operation. If they offer a full account of the problems and achievements of the industries and discuss their aspirations and plans for development, they will have a real chance to foster the growth of rivalry between the constituent units, and thus lay the foundations for the establishment and maintenance of efficiency.

#### Use of Comparative Costs

There are some of the nationalised industries in which comparison of effort or efficiency in the various parts is not so easy as the coal, gas or electricity industries. In each of the latter there are production units which are well defined and have sufficient features in common to make comparison possible between them. In the others, like Transport or the Post Office (which is, perhaps, the best example), internal comparison is not so simple, but by the operation of standard or comparative costing, the work may be broken down to comparable units. Mr. L. C. Hawkins, of the London Transport Executive, writing in the *Oxford Economic Papers* of January, 1950, gives an informative account of the use of standard costing. He sets out a dozen indices used in measuring the work done in various parts of the London Passenger Transport undertaking. He shows quite clearly how, by reducing to a common measure the performance of groups of men engaged in similar work, although in different conditions, it is possible to isolate instances of inefficiency, find the causes and take steps to eliminate them.

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## COMPETITION AND RIVALRY

The Post Office on the other hand offers an excellent example of the use of comparative costing. It is of great significance for the future of nationalised industries that the Post Office has been measuring and promoting efficiency by the method of comparative costing for many years. It is an industry in closer touch with the public than almost any other and is probably more subject to criticism, liverish or legitimate, than even the Coal Board. As a result, the Post Office must take stringent steps to maintain the efficiency of the organisation. A complete and elaborate system of costing is in use—costing in real physical as well as financial terms—covering all branches of the service. Various statistical devices are used to assess a reasonable load of work for each group of men in whatever branch of the service they may work. The actual time occupied on any job is noted and compared with that taken by other groups or that taken by the same group in other periods. Similar comparisons are made by areas and by regions. The results are carefully studied for trends and abnormalities, inefficiency is checked back and eliminated. All branches of the Post Office are covered by variations of this system, but there are other efficiency tests, too. Random sampling of the service, maintenance of a record of faults, the employment of a flying squad of inspectors and of travelling supervisors are all used and linked with a system of refresher courses and discussions between staff and executives, designed to stimulate interest right through the organisation in the maintenance of efficiency. There is no doubt the system is successful.

The examples cited of efficiency measurement in two great public

industries indicate that modern methods of standard costing or comparative costing provide a basis on which constituent parts of a complex organisation can be tested for efficiency. It remains then to improve efficiency by setting off in effective rivalry the units against each other but how to do this is one of the most difficult parts of organisation and administration. Certain quite clearly defined principles may be distinguished as essential to success.

### Three Essential Principles

The most important of these is that everybody in the units in which rivalry is to be stimulated must be interested in the progress of the industry in which he works. There are many examples in every sphere of human activity during wartime, of what can be achieved when this interest is present. There are good post-war examples everywhere too, but one of the most significant exists, not in an industry, but in the Regional Offices of the Board of Trade, key positions in the operations designed to settle new industries in the areas of heaviest unemployment. For some years the staffs in these offices have worked at abnormally high pressure mainly because in the years before the war they learned the terrible effects of mass unemployment and determined when the chance came to do all they could to abolish it. The result has been great enthusiasm in the Regional Centres, a good deal of friendly rivalry between them and the creation of one of the most efficient organisations in the country. It is not so easy for the crew of an aircraft transporting tourists and business men across the ocean to become keenly interested and enthusiastic in their work, if there are no records to break nor rival teams to

defeat. But there is a good deal to be said for maintaining the interest of these key men in the secondary purposes for which this industry is run, to build higher the prestige and reputation of British aircraft, to develop communications and trade, and to improve international relations.

A second important principle is that loyalty to the unit and to the leader of the unit must be established. This means that the unit must be well defined and must be in the charge of someone who is respected and admired by his subordinates. This cannot happen unless he is also respected and trusted by his superiors. A colliery or gas works manager for example, will not normally receive the support of the men if they know that he is being criticised adversely from above and unless he can attract their affection and support he will never succeed in stimulating them to make the necessary effort to beat their target or the performance of a neighbouring unit. In addition, the obvious principles of staff control, an interest in welfare, justice both done and manifestly seen to be done, a clear prospect of promotion open to all and resolute screening of all applicants for the higher posts so that the executives appointed are worthy of their positions, must be strictly observed. Adherence to these principles is not all that is required to win the loyalty of the rank and file but it will go a long way towards doing so.

The third principle is that responsibility must be pushed as far down the ranks as possible. No group of men will give of their best unless they feel important. There can be no spirit of rivalry without a feeling of responsibility. So that the further down the scale responsibility can be

delegated, the greater the chance of efficient administration. In 1950 journals catering for the Gas Industry published a great number of letters from gas works managers all over the country. If these letters presented a true picture of affairs in the Gas Industry (as undoubtedly they did to the men who had written them) the new Boards in that particular industry had by then done little to establish the principle that trust and responsibility must be reposed in the Executive Officer in charge of the production unit, for these gas works managers complained bitterly of being over-ridden by junior officials in the Headquarters of the Area Gas Board. Some of the trouble may be due to the works managers confusing the maintenance of their own autonomy and prestige with the maintenance of efficiency, for few of them are accustomed to the technique of control in a large organisation. The Area Gas Boards have much independence, and conditions in different areas vary widely, but some Boards, at least, are seriously trying to secure the interest and co-operation of the gas works managers in promoting efficiency. If the spirit of rivalry is to be fostered in the Gas Industry, it has to be developed between the staffs of the individual gasworks. There is no clearly defined intermediate unit between that and the Area Board which can command any loyalty. One Area Gas Board now in control of a large number of small undertakings previously run independently by individual managers, has divided its territory into districts and appointed the gas works managers in each to a committee responsible for the efficiency of all the gasworks in that district. While the Committee has no control over commercial policy, it has a free hand in the narrower field

of production. At its meetings attended only by gas works managers, with both chairman and convener picked from amongst themselves, the technical efficiency of the various gas-works is examined and their performance discussed. Each manager is thus enabled to compare the efficiency of the plant he administers with that of the others in the district. This seems a promising approach to the problem of introducing rivalry into an industry which never enjoyed competition as a spur to efficiency.

In the coal industry an attempt has been made by the introduction of a target for each pit, Area and Division, to foster rivalry between them. Information on progress is disseminated widely by popular bulletins and periodicals: joint consultation takes place at all levels on a wide range of topics, conferences of officials doing similar jobs in different places are held frequently to enable each of them to compare his results with those of his colleagues. In particular, indices of output per man shift at the face and overall, absenteeism, proportion of saleable coal to raised and weighed, wages cost, stores cost and other costs per ton are all carefully watched, discussed and compared at every level, from pit to London Headquarters. All this is vital, but it has not been practised long enough to be properly tested. It may yet play a great part in securing the full co-operation and assistance of everyone in the industry.

### Conclusions

How far the efforts to stimulate and maintain efficiency in the nationalised industries by fostering rivalry within them have succeeded, no one really knows, for measurement of results of this kind is almost impossible. The enormous volume of

criticism suggests that the amount of success is not very great, but much of this criticism should be discounted. The political anti-nationalisers are powerful and vociferous. Blunders in the administration of the industries now come quickly to light and are exposed in the national press. For every man appointed to a position of authority on the staff of the nationalised industries, there are many with equal or almost equal claims who have had to be passed over or given subordinate jobs. The managers of many small independent concerns have been brought under the control of a national Board and forced to conform to rules. They have to requisition instead of order materials, justify their actions to superiors, prepare statistics for reports to the public and for efficiency control, and run their works as economically as possible. Finally, public criticism is encouraged. This is a time of scarcity, and waste and inefficiency, even if due to inexperience of a new form of organisation, are fair game for attack. Parliamentary questions and debates, newspaper features, reports of Consumers' Councils and of other investigators, and any other publicity on the alleged shortcomings of nationalised industry are of real interest to the public. All this magnifies any faults the National Boards' administration may have, and hides any virtues and successes.

From the evidence cited in this paper, it is clear something has been accomplished, and that much more may be done in the near future. The nationalised Boards are in their infancy, but already there are encouraging signs that the industries they administer are likely to experience more competition and rivalry than they did in the years before the

war when they were either local monopolies or riddled with price fixing and quota systems. In the nature of these industries there is likely to be little real internal competition, though competition between them in some cases is inevitable. This cannot be adequate to maintain the organisations at the highest pitch of technical efficiency any more now than when they were in private ownership, but there seems to be a golden opportunity to encourage the spirit of emulation, the desire to surpass, found in the make-up of most people, and to direct its manifestation towards

this end. Rivalry may become of first importance for it is badly needed, but it is a plant of very tender growth which must be carefully nurtured if it is to develop properly. Success depends on finding the right men to tend it. The nationalised industries are large, with great problems of efficiency in administration and operation still unsolved. The development of rivalry is a partial answer to some of them and though the problems are great, the resources with which to work out the solutions are great also. The opportunities appear to be boundless.

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# Changes in the Machinery of Government since 1945

By L. FETCH

*This article was prepared in the Organisation and Methods Division, H.M. Treasury. It was sent to the printer before the General Election, and therefore takes no account of changes made by the new Government.*

TO the layman, the machinery of government is not something which is capable of rapid growth and development. He is fully aware that the organisation through which the Government discharges its many tasks has evolved slowly from rudimentary beginnings. But, in this instance at least, he accepts instinctively "the inevitability of gradualness"; and he would not expect to see an appreciable change in the pattern of the organisation within (say) a period of four or five years.

But the experience of the last few years has shown that sometimes extensive adjustments can be made quite quickly. The period since 1945 has, in fact, seen the machinery of government in process of what one might almost describe, without exaggeration, as "intensive development." There are perhaps four main reasons for this:—

(i) The war-time organisation had to be adapted to peace-time conditions.

(ii) The post-war tasks of the Government were considerably more numerous and difficult than in 1939; virtually new functions (notably economic planning) had to be undertaken, and the scope of others (such as the administration of social security schemes) was greatly extended.

(iii) Political developments overseas (notably within the Commonwealth) had their inevitable effect

on the organisation for handling relations with overseas countries.

(iv) There was a growing tendency to examine the machinery of government critically, and to make structural changes in the interests of greater efficiency.

The purpose of this essay is to survey the main changes in the machinery of central government since 1945. We shall interpret the phrase "machinery of central government" rather narrowly as the organisation comprising Ministers of the Crown and the Government Departments for which they are responsible. This excludes on the one hand developments affecting the two Houses of Parliament and the Courts of Law, and on the other those concerned with the many public boards and commissions which have been created for the direction of nationalised industry and other purposes. Even so, we shall find that there is a good deal of ground to cover.

It will be convenient, in describing the various changes, to take in turn each of the four main causes of change which are discussed above. The picture thus presented will be clearer than could be obtained by giving details of the various changes in strictly chronological order.

## Adaptation of the War-Time Organisation

At the end of the war there was naturally a good deal of tidying up to be done. Several Ministers and

Departments had been created with an eye exclusively or mainly to war-time purposes ; and it was necessary to decide whether they could now be abolished and how to provide for the discharge of such of their functions as should continue. Sometimes it was decided to retain the new Department as it stood ; the Ministry of Food was made permanent by the Ministers of the Crown (Transfer of Functions) Act, 1946. In other cases, it was decided to transfer any continuing functions to an existing Department. During the year 1945:—

(a) All those functions of the Minister of Home Security which it was desired to retain were transferred to the Home Secretary by S.R. & O. 1945 No. 612.

(b) The Foreign Office became responsible for winding up the work of the Ministry of Economic Warfare. (No formal statutory instrument was called for here, since there was no transfer of statutory functions.)

The posts of Minister of Home Security and Minister of Economic Warfare were not formally abolished till 1st April, 1946, when the Ministers of the Crown (Emergency Appointments) Act, 1939, was repealed by S.R. & O. 1946 No. 563.

In the case of the Ministry of Information special arrangements had to be made. Many of the functions of the Ministry came to an end with the war, and a full-scale Department complete with Minister was clearly no longer justified. But the Government decided to retain a central office for the design and production of publicity material on behalf of all Government Departments ; and this task was therefore assigned to the new Central Office of Information,

the formation of which was announced by the Prime Minister on 17th December, 1945. The responsibility for overseas information services was transferred to the Foreign Office with effect from 1st April, 1946.

Most of the new Ministers created during the war were appointed under powers conferred by the Ministers of the Crown (Emergency Appointments) Act, 1939, and the earlier reconstruction changes were made in the same way. But early in 1946 permanent legislation was introduced to allow adjustments in the organisation of the government machine to be made by means of Orders in Council. The result was the Ministers of the Crown (Transfer of Functions) Act, 1946 (9 and 10 Geo. 6, Ch. 31) which made it possible :—

(a) To dissolve a Department and transfer its functions elsewhere by an Order in Council subject to the affirmative resolution procedure ; and

(b) To transfer functions between Departments or to change the title of a Department by an Order in Council subject to the negative resolution procedure.

The Act does not confer powers for the creation of new Ministries or functions, or to modify any duty statutorily laid on Ministers.

As soon as the Act was on the statute book, six orders were made under it making further changes required as part of the post-war reconstruction process. Two of these were straightforward amalgamations ; under S.R. & O. 1946 No. 374 the Ministry of Aircraft Production was combined with the Ministry of Supply, and under S.R. & O. 1946



No. 373 the Department of Overseas Trade was swallowed by the Board of Trade. A third (S.R. & O. 1946 No. 375) was simply the formal instrument for removing the word "War" from the name of the Ministry of War Transport. But the other three transferred functions from Department to Department :—

S.R. & O. 1946 No. 376 transferred permanently from the Home Office to the Ministry of Labour and National Service certain functions under the Factories Acts and other Acts relating to industrial safety, health and welfare.

S.R. & O. 1946 No. 377 transferred back to the Ministry of Fuel and Power certain functions relating to petroleum which had temporarily been exercised by the Ministry of Supply.

S.R. & O. 1946 No. 378 transferred to the Board of Trade certain functions of the Ministry of Supply relating to a wide range of raw materials (timber, fertilisers, chemicals, rubber, textiles, etc.).

The Ministers of the Crown (Transfer of Functions) Act powers have, as we shall see, been used on a number of occasions since then ; the Act is, in fact, a major instrument for adjusting the Government organisation. It is, however, only required when statutory functions are in question ; responsibilities of Government which are undertaken by virtue of the prerogative and are not defined by statute can be passed from one Department to another by purely administrative action.

#### Extension of Government's Functions

During the war there was a rapid

development in public thinking about the role and functions of Government. On the economic side, war-time experience had itself revealed the extent to which the Government could mould the pattern of production and consumption by administrative means ; and the inarticulate but widespread public desire that the Government should make itself responsible for maintaining "full employment without inflation" made inevitable the application of this experience of economic planning to the problems of peace. Similarly, on the social side, the popular interest in "the welfare state" forced an extensive development of the Government's functions in connection with health services, unemployment and health insurance, housing and so on. The necessity for such developments was accepted by all political parties. The third important factor in the expansion of the responsibilities of Government was the policy of nationalising basic industries.

The development of the organisation for economic planning merits a section to itself and will be discussed below. For the rest, the changes made in the administrative organisation to adapt it to its new and extended tasks have for the most part consisted of the creation of new full-blooded Ministries from sub-departments or divisions of existing ones—though in two cases the functions of the new Departments were so greatly expanded that they really fall to be regarded as *de novo* creations :—

(a) the Ministry of Town and Country Planning, set up in 1943 with the task of planning and controlling the use of land ; and

(b) the Ministry of National Insurance, established in 1944 to administer the new comprehensive system of unemployment and health insurance.

The year 1945, the first of our chosen period, saw the passing of the Ministry of Fuel and Power Act (8 and 9 Geo. 6, Ch. 19), and the Ministry of Civil Aviation Act (8 and 9 Geo. 6, Ch. 21). The first simply gave permanent life to a Ministry which was created in 1942 under the Ministers of the Crown (Emergency Appointments) Act, 1939; but there had not previously been a separate Ministry of Civil Aviation. In each case it is broadly true that the creation of full-scale Ministries was necessitated by the Government's acceptance of responsibility for the supervision of the fuel and power and the civil aviation industries. The bodies from which the Ministries were created were the Mines and Petroleum Departments (and certain other Divisions of the Board of Trade) for the first, and a Division of the Air Ministry for the second.

It is worth noting in passing that in all these cases the description "Ministry" has been adopted as a matter of course; unknown before 1914, it has, in fact, now become standard form for the title of a Department of State. Even a long-established Department like the Board of Education has now (as a result of the Education Act, 1944) become a Ministry, and the old title "President of the Board of Education" has gone.

There is one other creation to be noted before we leave changes in organisation necessitated by the extension of the Government's activities. The planning of land use had been the accepted responsibility

of the Government since 1943, when the Ministry of Town and Country Planning was formed. But the nationalisation of development values by the Town and Country Planning Act, 1947 (10 and 11 Geo. 6, Ch. 51) necessitated the creation (by means of Section 2 of that Act) of a Central Land Board to assess and collect development charge.

### Economic Planning

Economic planning is not to be regarded as something completely new. From an early stage in our political development the Government has been responsible for taxation and monetary policy, and has been able to use these instruments to correct trends in the economy. In particular the Treasury has always been in a position to use the budget in this way, and the budget is now generally recognised as perhaps the major instrument for securing "full employment without inflation."

Nevertheless, the scope and the detail of economic planning activity have developed enormously during and since the war. In addition to the old instruments of fiscal and monetary policy, the technique of programming has been developed to a high degree; the Government now applies this technique to plan the pattern of investment and to control the use we make of our limited supplies of foreign exchange and scarce goods.

It is evident that these economic planning activities must involve an immense task of co-ordination. Particular Government Departments have knowledge of particular sectors of the economy, and it is necessary to pull all their contributions together and thrash out plans and programmes which take account of the needs of all.

By a somewhat roundabout process this task of economic co-ordination has become the responsibility of the Treasury. The means by which it is achieved, in large measure through the operations of a complex web of interdepartmental committees, cannot be discussed here; it is sufficient for our purposes to note that the "economic planners" who work in the centre of that web are Treasury staff. The Government first announced the appointment of a Chief Planning Officer in 1947; and at that time he and his staff, the Central Economic Planning Staff, were responsible to the Lord President of the Council. In October, 1947, soon after the "convertibility" crisis broke, the Government decided to appoint a Minister without portfolio with the title "Minister of Economic Affairs," and the Central Economic Planning Staff became part of his office. Finally, when the Chancellor of the Exchequer resigned in November, 1947, the Minister of Economic Affairs became Chancellor whilst retaining his former burdens, and the Treasury absorbed his staff.

The burden on the Chancellor of the Exchequer as a result of these changes has clearly been increased. To relieve him as much as possible it was decided in December, 1947, to appoint an Economic Secretary to the Treasury in addition to the Financial Secretary. The necessary statutory provision was made by the Ministers of the Crown (Treasury Secretaries) Act, 1947 (11 and 12 Geo. 6, Ch. 5). (For a short period in 1950 a Minister of State for Economic Affairs was appointed in place of an Economic Secretary.)

#### **Constitutional Changes in the Commonwealth**

During the period under review

there have been four changes in the administrative organisation as a result of constitutional developments overseas. The first in time was the formal change in the title of the Secretary of State for Dominion Affairs; out of deference to the feeling in the Commonwealth this was changed in July, 1947, to Secretary of State for Commonwealth Relations by Order in Council under the Transfer of Functions Act (S.I. 1947 No. 1422).

The other three reflect the change in status of India, Burma and Ceylon. The Indian Independence Act, 1947 (10 and 11 Geo. 6, Ch. 30), laid it down that as from 14th August, 1947, H.M.G. was no longer concerned in any way with the government of India; and the Burma Independence Act, 1947 (11 and 12 Geo. 6, Ch. 3), had the same effect for Burma as from 4th January, 1948. The Commonwealth Relations Office became responsible for relations with India and Pakistan, and the Foreign Office for relations with Burma. No formal statutory action was necessary to abolish the India Office and the Burma Office, since all the Ministers involved were Secretaries of State appointed by the Crown under the prerogative and no statutory powers were transferred. In February, 1948, when Ceylon acquired Dominion status, the responsibility for relations with its government was transferred from the Colonial Office to the Commonwealth Relations Office; no formal statutory instrument was required, the change being made by administrative action.

#### **Ministry of Defence**

The first of the post-1945 changes in the machinery of Government

which fall to be regarded as deliberate measures of re-organisation was the creation of the Ministry of Defence. It could equally be regarded as a part of the process of adaptation to peace-time conditions. During the war there had been developed a unity of direction of strategic matters, under Prime Minister, Defence Committee and Chiefs of Staff, which it was essential to retain; the creation of the Ministry of Defence secured this and gave the system formal constitutional recognition.

The Ministry of Defence Act, 1946 (10 and 11 Geo. 6, Ch. 2), simply provides for the appointment of a Minister to be responsible for "the formulation and general application of a unified policy relating to the armed forces of the Crown as a whole and their requirements." The essential features of the new organisation were, however, described in a White Paper entitled "Central Organisation for Defence" and issued in October, 1946 (Cmd. 6923).

The Prime Minister retained supreme responsibility for defence. The main forum for the Ministerial discussion of defence policy remained the Defence Committee, of which the Prime Minister and the Minister of Defence were respectively chairman and deputy chairman. The Minister of Defence became specifically responsible for:—

(a) The apportionment, in broad outline, of available resources between the three Services in accordance with the strategic policy laid down by the Defence Committee. This includes the framing of general policy to govern research and development, the correlation of production programmes, and the annual preparation of estimates

for the Services and the Ministry of Supply.

(b) The settlement of questions of general administration on which a common policy for the three Services is desirable.

(c) The administration of certain inter-Service organisations.

To advise the Minister in discharging these responsibilities, and to provide a secretariat for the many committees through which the work would largely be done, a small Ministry of Defence was set up comprising civil servants and officers of the three Services. It absorbed the Chiefs of Staff organisation, which was transferred from the Cabinet Office, and the staffs of certain other existing inter-Service organisations (for example, the Combined Operations Headquarters, the Joint Intelligence Bureau and the Imperial Defence College).

#### Minor Adjustments in Organisation

Since it reached the statue book the Ministers of the Crown (Transfer of Functions) Act, 1946, has frequently been used to make minor adjustments in the statutory functions of Departments. The normal course of events is as follows. The examination of some aspect of Government organisation leads to the suggestion that some particular task of Department A could probably be performed more effectively by Department B. The supporting argument may, for example, be that the task is one which, in the nature of things, is more closely related to Department B's other work than to that of Department A; or it may be that Department A's other work is such as to prevent its discharging the task

in question without bias. Assuming the argument, whatever its nature, is accepted by the Government, an Order in Council under the Ministers of the Crown (Transfer of Functions) Act puts the suggestion into effect.

Up to date there have in all been about thirty such Orders. Some of them are mentioned elsewhere in this note, and examples of the more interesting among the remainder are given in the succeeding paragraphs.

It is striking, but nevertheless purely accidental, that a high proportion of the Orders have affected the statutory functions of the Ministry of Health. During the period between the passing of the Ministers of the Crown (Transfer of Functions) Act and the major reorganisation leading to the establishment of the Ministry of Local Government and Planning, the Ministry of Health lost the following functions :—

(a) *To the Home Office.* Central responsibility for :—

(i) Miscellaneous matters, of which perhaps the most important was the confirmation of bye-laws (S.R. & O. 1946 No. 1757).

(ii) Children deprived of home life (S.I. 1947 No. 1644).

(iii) Markets and fairs (S.I. 1947 No. 865).

(b) *To the Ministry of Agriculture and Fisheries.* Responsibility for the destruction of rats and mice (S.I. 1947 No. 1705).

(c) *To the Ministry of Transport.* Responsibility for supervising compulsory purchase of land for highway purposes (S.I. 1948 No. 490).

During the same period the Ministry of Health acquired :—

(a) *From the Home Office.* Res-

pensibility for burial grounds (S.R. & O. 1946 No. 1757).

(b) *From the Ministry of Supply.* Responsibility for production of medical supplies (S.I. 1947 No. 2472).

(c) *From the Ministry of Transport.* Responsibility for measures to prevent coast erosion (S.I. 1947 No. 609).

Some of these functions have, of course, since passed to the Ministry of Local Government and Planning as a result of the reorganisation described below.

Examples of other minor organisational changes made by means of Transfer of Functions Orders are the following :—

S.I. 1947 No. 984 transferred to the Agriculture Departments the Board of Trade's functions relating to the bulk purchase of wool.

S.I. 1949 No. 588 transferred to the Minister of Education the functions of the Secretary for Overseas Trade relating to the Imperial Institute.

S.I. 1950 No. 1044 transferred to the Board of Trade certain functions of the Ministry of Food relating to the marking of food containers.

As has been indicated above, a Transfer of Functions Order is only necessary to give effect to adjustments of this kind when the functions in question are statutory. Where the powers by virtue of which a particular task of Government is discharged derive from the prerogative, the responsibility for that task can be passed from one Minister to another by administrative action. Thus no statutory instrument was required to make two recent changes in the functions of the Foreign Office,

though they were of considerably greater significance than some of the minor changes mentioned above :—

(i) In April, 1947, responsibility for the British element of the Control Commission for Germany and Austria was transferred to the Secretary of State for Foreign Affairs, and the branches of the Control Office in London became the German Section of the Foreign Office.

(ii) In April, 1949, responsibility for the administration of certain African territories was transferred from the War Office to the Foreign Office.

Finally, there has been one recent case in which a readjustment of functions between Departments has been made by Act of Parliament. The Overseas Resources Development Act, 1951 (14 and 15 Geo. 6, Ch. 20), gave effect to the changes which were necessitated by the Government's decision to abandon the East African groundnuts scheme as originally conceived. The changes in organisation were :—

(a) The transfer from the Minister of Food to the Secretary of State for the Colonies of responsibility for the Overseas Food Corporation.

(b) The transfer to the Ministry of Food of the Overseas Food Corporation's rights and responsibilities in relation to the Queensland British Food Corporation.

### **Ministry of Local Government and Planning**

The second major reorganisation since 1945 took place in January, 1951, when the Ministry of Local Government and Planning was formed by combining some of the

functions of the Ministry of Health with those of the Ministry of Town and Country Planning. The effect of the changes was to make the new Minister responsible in England and Wales for :—

- (1) Housing and New Towns.
- (2) Environmental services (e.g. water and sewerage).
- (3) Planning and controlling the use of land.
- (4) General oversight of the work of Local Government.
- (5) Financial responsibility towards local authorities.

The Minister of Health (new style) became responsible only for the National Health Services and the health services of local authorities.

These changes were made by Orders in Council under the Ministers of the Crown (Transfer of Functions) Act, 1946. (See, in particular, S.I. 1951 No. 142). Briefly, their effect has been :—

(i) To associate the central responsibility for the planning of land use more closely with the related responsibilities for housing and environmental services and for the general supervision of local authorities.

(ii) To concentrate in one Department the bulk of work bringing central government into contact with local government (though, of course, Departments such as the Home Office and the Ministry of Education still deal direct with local authorities).

### **Ministry of Materials**

The most recent major change in the machinery of government was the creation of the Ministry of Materials in the summer of 1951.



In late 1950 and early 1951 the problem of raw material shortages became increasingly important and urgent. In deciding that a new Department should be set up under the Lord Privy Seal to deal with it, the Government was persuaded that the production and procurement of the bulk of our raw materials should be centralised in the hands of a Minister and a Department who could give their whole time to these matters. The Ministry of Materials Act, 1951 (14 and 15 Geo. 6, Ch. 42) provided for the appointment of a Minister of Materials to exercise such functions relating to raw and other materials as may be assigned to him; and Orders in Council under the Ministers of the Crown (Transfer of Functions) Act, 1946, defined the functions to be transferred to him from the Board of Trade and Ministry of Supply (see, in particular, S.I. 1951 No. 1242).

The duties of the new Department were described in a White Paper dated 15th June, 1951 (Cmd. 8278) in the following terms :—

“It will be the duty of the Minister of Materials to do everything possible to ensure adequate supplies of the materials with which he is concerned. Where they are dealt with on public account, he will be responsible for their purchase and sale. Where appropriate, he will take steps to increase the production of materials of which supplies are or may become inadequate, to promote their economical use, salvage and recovery, and to develop the production and use of substitutes.”

It went on to explain that, in defining the responsibilities of the Minister, the broad principle followed was that wherever possible he should be

responsible for raw materials up to the point at which they enter into manufacturing industry; but it was made clear that this could not and had not been applied rigidly. For example :—

(a) Raw materials for iron and steel production were left with the Ministry of Supply, so that one Department remained responsible for the iron and steel industry as a whole.

(b) The Ministry of Materials became responsible for the supply of most non-ferrous and light metals in unwrought forms (including ores and concentrates), but the Ministry of Supply remained responsible for all fabrication of these metals.

(c) The Ministry of Materials became responsible for the basic raw materials of the chemical industry (for example, common salt and glycerine) and also for sulphuric acid and fertilisers; the other products of the chemical industry remained the responsibility of the Board of Trade.

(d) The Ministry of Materials became responsible for questions relating to the procurement of raw cotton, raw wool and other textile fibres; the Board of Trade retained responsibility for all matters affecting later stages in the textile industries, beginning with the distribution of the raw material, except that, since the structure of the jute industry made it inadvisable to divide responsibility, the Ministry of Materials took over jute goods as well as raw jute and jute yarn.

The examples will suffice to show that the task of drawing the precise

PUBLIC ADMINISTRATION

dividing line between the new Department and those from which its work was taken was quite complex; and

it may well be that further adjustments will have to be made in the light of experience.

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# The Parish Council and the Rural Community

By G. DUNCAN MITCHELL, M.B.E.

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TO the sociologist the institutions of government and administration form but one class amongst many; others would include, for example, the family, the economy, the form of land tenure, the kinship system and so forth. Such social institutions constituting the fabric of the social structure exist in a variety of relationships one to the other—relationships which may be close and stable or loose and variable. It is, in fact, the study of these relationships which forms the main subject of sociological enquiries. From this angle a study of the Parish Council must be such as will relate it to the other institutions in the community. From an administrative point of view an account of the part played by the Parish Council would make reference to the legal powers it enjoys, how far they are exercised, the extent to which this machinery serves as a means to various administrative ends and so forth. Yet an analysis of the part it plays in a rural community may be enriched by a consideration of the underlying as well as the manifest functions it performs, the extent to which it serves to maintain social solidarity, and contrariwise the extent to which it introduces an unstable element into the rural scene and becomes a focus for conflicts. This paper presents some of the results of an investigation covering a number of parishes in South Devon, particular reference being made here to those within a single rural district, which is itself fairly representative

of others in the locality. In so doing the character of local government problems will be considered from a sociological as well as from an administrative point of view.

Although the parish as a unit of government has its origin in antiquity, in its present form the Parish Council dates from the Local Government Act of 1894, the provisions of this Act being repealed and re-enacted with modifications by the Local Government Act of 1933. All rural parishes with a population of over 300 inhabitants must, and between 200 and 300 inhabitants may, elect a council, but in the case of those with less than 200 inhabitants the consent of the County Council must be obtained. Elections take place at the annual parish meeting which is obligatory for all parishes. A council may have from 5 to 15 members, the number being fixed by the County Council, members being elected for a period of three years.

The powers of the Parish Council have tended to diminish in recent years, but it is still empowered to incur expenses up to an amount not exceeding a rate of 4d. in the £. For an amount over this, but not exceeding a rate of 8d. in the £, the consent of the parish meeting is required. Briefly stated, its powers extend to the maintenance and repair of footpaths, the maintenance of rights of way, and the exercise of a limited control over highways. The council may hold and acquire land

for various public uses, including the care of burial grounds; make recommendations to the Rural District Council regarding the allocation of council houses; act as a minor education authority, in which capacity it appoints school managers; and appoint members to represent the parish on the rating authority.<sup>1</sup> A parish council may be granted parochial committee powers by the Rural District Council, although this is seldom done today, in which case it exercises a measure of control over sanitation and new housing. In order to see how far the Parish Council has been effective we must turn to a particular area and consider the council in relation to the rural social structure.

### The Old Dispensation

Apart from depopulation, the rural society of South Devon, perhaps more than elsewhere, has remained barely affected by social changes such as industrialisation brings in its train. Broadly speaking, it is an area of small scattered farms, and the villages and hamlets, whilst numerous, are small too. It has been described as "Celtic scatter" in contrast to the "Saxon nucleation" which is perhaps more general in this country. There are few rural industries although there were more in past times. The hilly nature of the country makes communications difficult even though there is a fine network of lanes linking together farmsteads, villages and market towns. The comparative isolation of many parishes lends strength to the forces promoting stability. Mixed farming is dominant and farms are small, requiring little hired labour, but placing a high value on family labour. Thus the work group on the

farm is tightly knit together. An agricultural economy such as this is not conducive to the acceptance of mechanical techniques or other modern practices.

Leadership in local affairs, until the Great Depression (1874-1912), was largely in the hands of the squirearchy who had the traditional assistance of the clergy, but in the last 75 years both these elements have tended to disappear. Not only has the squirearchy almost everywhere vanished, but there is an increasing tendency toward plural livings. Despite being hailed as the Peasants' Charter, the Act of 1894 introducing parish councils did very little to alter the basic form of local government at parish level; it merely provided the squire and parson with a more useful means of carrying on as before. It is perhaps not fully realised why this was so, for discussion of local government machinery usually takes place on the basis of certain assumptions regarding the indispensability of bureaucratic forms, yet these assumptions are by no means accepted universally and much less so 75 years ago. For a fuller discussion of this subject the introduction of some sociological concepts may prove fruitful.

### The Character of Legitimacy

Every society to achieve a workable degree of stability must possess a structure which obtains the general sanction of the inhabitants. This is particularly true of a rural society which does not possess a complex set of relationships between the individuals composing it. The ordering of relationships between people in super- and sub-ordinate positions must obtain the general consensus and this may be termed

the *legitimacy* of the order. Every form of leadership or government claims to be legitimate, but it cannot function unless its legitimacy is accepted. A distinction has been drawn between *rational-legal legitimacy* and *traditional legitimacy*. In the former case recognition rests upon the belief of those in subordinate positions in the legality of laws, rules and directives issued by the person in authority together with a belief in his right to be elevated to that position. In the latter case, recognition depends on a belief in the sanctity of traditions whereby the person in authority exercises his power. Moreover, the traditional prescription is binding on the person in authority although a sphere exists where he is able to exercise considerable discretionary power. Such a person claims loyalty to unspecified obligations and very often no clear distinction exists between official and private capacity, a distinction very carefully drawn in the other case. Thus, in the traditional type of authority, social status is a total status and, because in its pure form the lack of any distinction between private and public extends to property, there is an identification of status, authority and kinship which involves traditional legitimacy with the hereditary principle.

It would be false, of course, to claim that the rural area in question comprehended only a traditional type of legitimacy, but it is clear that this predominated, for the rational-legal type, even today, is amongst many people not acceptable. Certainly until recent times the squire and parson occupied the leading roles in the society. This does not mean that they exercised absolute power in the community, but they were

looked to for a lead and were regarded as the final arbiters in a dispute. The attempt to enrich local life by the introduction of the system of parish councils meant not so much an attempt to replace one leadership by another, or to provide for greater local control, as to replace one type of authority based mainly on a traditional legitimacy by another based on a rational-legal legitimacy. It seems fairly clear that this attempt failed, for it ran counter to what the community was accustomed to expecting. It was, as the country people of this area put it, something "foreign," not bad or good so much as irrelevant. Its irrelevancy at the time of its inception will become apparent if other rural institutions are examined. Foremost of rural institutions is the farm family, a case where the family as an institution is closely involved with the prevailing economic activity. In an area of small farms this means a well-developed patriarchalism, and it is not difficult to see how family, economy and government, support and reinforce one another. Another institution, the system of land tenure, provides a further link between the patriarchal farm family and the traditional authority of the land-owning squire. It will be seen that the sociological concepts of traditional authority on the one hand and rational-legal authority on the other contain for the individual a psychological counterpart, for in such a patriarchal structure men tend to act emotionally rather than rationally. It is the feeling of "belonging" which characterises the rural community, often firmly binding the individuals composing it in a kind of passive resistance to external influences. One of the essential problems, therefore, lies in facilitating

the transmutation of the present emotional types of relationship to ones permitting the individual to enjoy a greater degree of rational choice. For only thus can the rational-legal forms manifested in modern government machinery be seen as useful means serving the end of the general welfare of the countryman.

Following the disappearance of the squirearchy as a potent force in this area it might be thought that the more important farmers would fill the vacancy, but this was only partly the case, for the farmer has never had the same status as the squire. Moreover, the larger farmers who employ labour have always been orientated to a market economy and the rational-legal dispensation it implies, unlike the small farmer, who more often than not farmed on little more than a subsistence scale. Such men whose interests frequently took them to the market town by-passed the Parish Council in favour of the Rural District Council. In the parish, therefore, there is a lack of people willing to take the lead, whereas the Rural District Council has today, or until very recently, been almost entirely composed of farmers.

It is important to realise that in a society such as this, where all the principal institutions are closely related and uphold one another, institutional change can only be meaningful if carried out with the current of social needs. It is, of course, always desirable to adapt old forms to new processes wherever they can be fitted into the dominant cultural background, and it is necessary to consider the revival of the parish as far as possible in these terms.

### The Problem of Representation

It will be seen from the foregoing remarks that one of the reasons why some parishes are unable to possess a lively and efficient Parish Council is the lack of a general consensus regarding the assumptions underlying it. This is rarely expressed directly, but it is frequently implied. In some parishes, but by no means all, quite suitable people would regard it as a joke if it were suggested they should sit on the council, and, few having the requisite personal prestige to be able to carry it off, there is as a result a shortage of people considered by their fellows eligible to be representatives. It is interesting to observe the kinds of people who occupy seats on Parish Councils, and at the same time to note those who do not sit on them. By way of example an analysis is given of the representation of the parishes in one rural district (Table I).

Out of the 25 parishes in this rural district, 21 possess a Parish Council, one is at present applying for one, and three are regarded as too small to warrant one. At the 1949 Elections eight parishes put up more candidates than there were seats, and accordingly there was a ballot; six parishes had only a sufficient number of candidates to fill the vacancies and there was no ballot; and seven parishes were unable to find sufficient candidates to fill the vacant seats. Thus, if the degree of interest in Parish Council elections can be measured by the competition for seats, it would appear that in more than half the parishes there was unwillingness to serve on the council.<sup>3</sup>

Moreover, of the eight parishes which held a ballot, six border on the





coast and have in recent years acquired a number of retired business and professional people, and in addition have become minor summer holiday resorts; factors which have had a direct influence on the state of the Parish Councils. Of the remaining two parishes, one has a population of over 1,000 inhabitants and the other a population greater than the average. On the other hand, the seven parishes with less than the full complement of Parish Councillors are, with two exceptions, below the average in population and all have suffered a loss of population during the last half century. Of the 152 Parish Councillors serving this rural district, approximately a third are engaged in various kinds of agricultural occupation, over a third in various kinds of trading and professional activity, and comparatively few in skilled and manual occupations (Table II). Now it is clear that only in parishes containing a sizeable village providing services are there likely to be people in the second occupational grade, and in this area inland parishes devoted mainly or entirely to farming tend to lack such villages. The "Celtic scatter" thus may be seen to aggravate the difficulty of obtaining both a sufficient number of candidates for the Parish Council and an adequate representation of the population.

Ignoring the coastal parishes, where special circumstances obtain, it is possible to list the main factors affecting the situation as follows:—

1. Depopulation has come to be a deprivation to the community which has had social repercussions in causing a tendency toward withdrawal from communal activity.

2. Farmers are not, proportional to their numbers, taking up the lead in local affairs at parish level.

3. There is a very small number of skilled and manual workers prepared to stand for election, due almost entirely to the problem of traditional legitimacy, which also affects the small farmers as well; i.e., that despite the legal right there is no belief in a social right to stand for election and no recognition of the present machinery of local government.

So far we have been concerned only with the problems attendant upon securing the election of a Parish Council, but there exist further problems regarding their functions once formed. Whilst there are parishes containing more than the average number of inhabitants and where the local council often plays an important role in the community, others are not so happily situated. Thus in one inland parish in the rural district containing an unusually large number of small farms, the Parish Council is composed, with one exception, of people who only came to the parish in recent years. It is impossible to get more local people to sit on it and, consequently, as at present composed, it is scarcely representative. Despite the efforts of the Councillors on behalf of the village and parish it obtains no support and there is, as a result, much bickering and dissatisfaction; an example will illustrate this.

In 1949 the postmistress endeavoured to obtain a new house approximately 100 yards away from her present one in the village. When this was known considerable objection was raised by the inhabitants who objected to the extra

distance they would have to go, and the council decided that a special meeting should be called when the matter could be discussed, but when the meeting was held only the members of the council turned up. It would almost seem in this case that those who sit on the council are members of an "out group," that is to say those who are identified with the world outside the parish. Such parochialism is, of course, inimical to the proper working of local government as constituted today. A discussion of means for remedying this breakdown must among other things consider the nature and quality of communications.

### Communications and Social Change

Parishes which enjoy a lively and effective form of local government, where the local council is fairly representative, possessing prestige and authority, and where the quality of community life is high, are often those possessing a large village. These are not common in South Devon but, where such villages exist, it is clear that facilities are available whereby information can be communicated easily both within the parish and between the parish and outside authorities. Tradesmen and professional people are in frequent touch with the market town, as are many of the farming community, but perhaps more than most of the latter they are in touch with people connected with higher levels of local government such as the Rural District and the County authorities. It seems that this is one of the main factors governing the success of Parish Councils, and it is also one of the most important reasons for retaining them. The importance of

adequate means for relating the three levels of local government more closely cannot be over-emphasised. The Rural District Council today performs most of the functions of local government in rural areas, although less than hitherto, and it is imperative that it be adequately informed about parish affairs. The Parish Council when functioning at its best provides for the passing of information both to and from the rural district and the county. In small isolated parishes this is even more necessary still. Thus the opening of institutional lines of communication is complementary to the improvement of geographical communications. Powers of Parish Councils may be severely limited, but whilst for some administrative purposes they may seem to be redundant, their abolition would deal a severe blow to rural local government.

It is possible that as an administrative unit the Parish Council is not being fully utilised. Thus much inconvenience would be avoided if parish clerks were used to dispense advice on many minor matters at present dealt with by the Rural District Councils. There are numerous forms which are required, such as those relating to applications for fuel, licences and so forth, which at present can only be obtained from Rural District Council offices after a lengthy journey. The local unit of government could also profitably be used to notify the inhabitants of changes in regulations. Should the Parish Council thus be put to greater use it would enhance its prestige in people's eyes; reduce the feelings of hostility which remote control tends to engender; and assist in transforming the vestiges of an out-moded outlook toward

authority in favour of modern rational-legal forms, an important factor if the rural area is to be drawn into the life of the wider society.

Above all, in a society which is changing rapidly, it becomes imperative that people should know what kinds of things to expect, so that anxieties which accompany change may be minimised. Thus the Parish Council can act, as no other agency exists to act, as a means of conveying information. The two-way character of this service must be stressed, for the higher authorities must be adequately informed about local conditions, as well as the parish be drawn into the general stream of national life. The present system, however, leaves room for some improvements in this respect.

Government in rural areas is a three-tiered system, but to meet the need outlined above the three tiers require to be more closely related. If this is not done, dissatisfactions of one with the other will persist; such dissatisfaction more often than not arises through misunderstandings and inadequate information. The channels between the three authorities are at present inadequate. It is true that the parish is represented on the Rural District Council and that the people of the area of the latter are represented on the County Council, but this is not enough unless the right person acts as representative. This does not primarily depend upon the personality and other qualifications of representatives, but upon the roles they play in the system of government.

The three-tiered system of local government means that there are three social groups each playing a part, and as groups possess characteristics beyond the mere sum of the

individuals composing them, it is necessary to consider the relation of these groups *vis-à-vis* each other as groups. For a system such as this to function adequately each subordinate group should be adequately represented in the higher group. Moreover, because in each group the members perform different roles the person or persons acting in representative capacity should be those who are in a position to occupy more than one role. It is manifestly impossible for every member of a group to play a role in the superordinate group as well, and usually only one or two can do so. Furthermore, as every group must possess a person fulfilling a leadership role, and because such a role involves representation of the group to other people outside the group, the leader is usually appointed *ex officio* as representative to the higher group. Nevertheless, this is not necessarily the case with regard to Parish Councils and parish representation on the Rural District Council. Indeed, it seldom occurs that the chairman of the Parish Council is the member on the Rural District Council, and in many cases the Rural District Councillor is not even a member of the Parish Council, although in some cases he may attend meetings as a member of the public. It is scarcely surprising, therefore, that poor communication exists between Parish and Rural District Councils. Legally communication from the higher body passes to the chairman of the Parish Council, but this does not fulfil the need in question, for it must be recognised that more is required than official communication by letter, and until better channels exist for social communication the present estrangement of the two local government

bodies, which is so widespread an occurrence today, is likely to persist. In one parish in the area surveyed the chairman of the Parish Council is also a member of the Rural District Council and the County Council, but such a case is unusual. This parish displays great interest in its council and exemplifies the value of good communications.

The principle of over-lapping leadership is one which might profitably be extended to County Councils, although in this case there are many more instances of chairmen of Rural District Councils sitting as County Councillors than there are chairmen of Parish Councils sitting as Rural District Councillors. Should this principle be applied where Parish Councils are concerned it would perhaps facilitate the use of parochial committees whereby the Parish Council would be drawn into the picture more than it is. Such parochial committees are rarely set up today and the legislation concerning them is not always known to those concerned. The report of the Local Government Boundary Commission supports this contention in linking it with the town planning

conception of "neighbourhood units" and community centres.<sup>4</sup>

The problem of the Parish Council has here been treated in a very general manner. Little has been said about the wide variations which exist in rural England although something has been said about this by the writer elsewhere.<sup>5</sup> A case might be made for differential treatment according to size and type of rural parish and quite clearly large nucleated parishes deserve better treatment than they often receive, for the large village today displays many of the characteristics of the suburb and indeed frequently serves as a dormitory for a nearby town. The ethos of such villages too is often different from that of the small isolated and specifically rural village such as we have been referring to here. But in the latter case support for the Parish Council would assist in bringing about a more desirable change in the general attitude of the inhabitants; facilitating the process of social change, which is ever tending to increase; and enabling the local people to appreciate the value of self-expression and corporate activity without which social democracy becomes meaningless.

<sup>1</sup>J. J. Clarke, *The Local Government of the United Kingdom*, 1948, Chapter 7.

<sup>2</sup>Max Weber, *Wirtschaft und Gesellschaft*. (Tübingen, 1925), I, 124. Translated by A. R. Henderson and Talcott Parsons, "Theory of Social and Economic Organisation," 1947.

<sup>3</sup>In a survey of 135 parishes, contained in five rural districts in other parts of Devon, 42 had only a parish meeting. Of the 92 having a Parish Council only 36 parishes had a poll in the 1949 Election. These figures show that this position is not confined to the rural district under consideration.

<sup>4</sup>Report of the Local Government Boundary Commission for 1946, p. 16.

<sup>5</sup>G. D. Mitchell, "The Relevance of Group Dynamics to Rural Planning Problems," (*Sociological Review*, Vol. XLIII, Section 1, 1951.)

## BOOK REVIEWS

### *Coal: History of the Second World War*

By W. H. B. COURT. (H.M. Stationery Office and Longmans.) Pp. 422, 21s.

THE outstanding merit of Professor Court's account of the complicated and convulsive story of the struggle to maintain coal production is the firmness with which he sets it within the framework of past history. His first chapters are, understandably, his clearest, and with them in mind the reader can read drama in later events which otherwise might seem only a sorry muddle. The half-hearted attempt once made by the Fuel Ministry to publicise its achievement of having never failed to supply essential war industry was soon given up: the general feeling was that coal supplies in this island should, given the minimum organisation, be taken for granted. This attitude is proof of Professor Court's contention that public apathy and ignorance has obscured the true position of the industry. Despite the fact that miners, thanks to the location of the coal fields, constitute the largest single industrial group among M.P.s, and despite the existence within the capacious bosom of the Board of Trade of a sub-department and Parliamentary Secretary for Mines from 1921-42, neither people nor government seemed to realise how unfit the industry had become by 1939 to take any strain. To warm ourselves with the thought that the island was made of coal was as foolish as to expect cheap transport because the land was criss-crossed with waterways. The decline of coal-mining had not, at the moment of real awakening in 1942, gone such lengths as that of the canals, but its lack of attraction either for fresh capital or for any labour free to move, had already produced a most serious situation. To argue that what was needed was to remove the feelings of bitterness left by the Great Depression, was grossly to minimise the problem. The task of the Control, it at length appeared, was to revive an industry whose members had for twenty years felt that it was moribund and from which they continued to seize any opportunity to escape. It is in this light that Professor Court examines the figures for output per manshift—always the centre of recrimination and political controversy. They need to be read in connection with the shortage of trained young face-workers,

the failure to mechanise extensively after 1918, and the survival of many pits where natural conditions were worsening and from which, but for cartelisation under the 1930 Act, resources would necessarily have been transferred elsewhere before the war.

Thus the task set the Control might appear hopeless. Years of neglect of men ("no other industry" Lloyd George once remarked "has to have its ordinary welfare work undertaken by a national commission") and plant could not be remedied by pep-talks to an ageing labour force, nor could the introduction of machinery produce any speedy return. The difficulty was not lessened by the slowness with which it was appreciated. Mr. Grenfell lacked direct access to the Cabinet, any regional staff of his own, the strength to withstand Mr. Bevin, clarity of mind—in fact everything except courage and great friendliness. The assumption of operational control by the government in May 1942 did not of itself ensure that any real difference could be made to production so as to bring it to the state of efficiency that the constantly improving planning of allocation and distribution had reached. Managers and engineers served two masters and both they and the men were well aware of it. But the new Minister himself served a three-party cabinet. Thus his proposal to take the technicians into his own service was rejected by the Coalition and he had, from the end of 1943, to rely upon the system of grouping pits under production directors paid from the Coal Charges Account. On the labour side it required an incipient Parliamentary revolt to draw from the Prime Minister the promise that the control would continue for at least a year after the war and that meanwhile there might be discussions of the post-war period. From this emerged the National Wages Agreement, sullenly accepted by the Mining Association in 1944. Twice in the war years (after the collapse of France, and in the manpower prophecies of the admirable Reid Report) the miners were reminded of the abnormality of the demand for their services.



Professor Court explains in detail, carefully if somewhat flatly, the expedients adopted to meet the situation. The comparative failure of output bonus schemes, of concentration upon the best seams, of pit production committees, of the canteen service, of training schemes, of punishment for absenteeism, are set beside the achievements of the Control in planning distribution of stocks, in fuel economy, in the provision of a medical service, and in raising the status of the miner among industrial workers. Indeed the only point of real interest in the working of the Control for which one searches in vain is the taking over by the Government, in different circumstances, of Point of Ayr and Glasshoughton collieries. But Professor Court is less informative on the political and administrative background to the Control. The complicated exchanges between it and the Miners' Federation and the owners' Association do not receive much stress (even at the crisis over the consequences of the Porter Award), though constantly, with what amounted to a condominium over coal, these were of importance. Perhaps also if he had been able to complete the work as intended, as a history of Fuel and Power, the consequences of the curious mixture of powers within the Ministry might have been more closely examined. He has to content himself, for instance,

with a bare acknowledgment that Lord Hyndley's personality, as first Controller General, must have been of importance. In fact in this history of brave expedients Lord Hyndley alone was so saturated in the fundamental facts, as thanks to Professor Court we now have them, that he knew instinctively that they were only expedients and not solutions. He never felt false hope nor intense despair, nor ever ceased to negotiate and scheme, a Metternich of Millbank.

Again in the matter of open-cast coal production, Professor Court is more concerned with the statistics of coal produced than in the schemes by which it was managed. These ranged from giving business men a free hand (with results that the Permanent Secretary had to explain to the Select Committee on National Expenditure) to the strictness of quasi-military organisation, and form a not uninteresting text for a lecture on methods of government economic management.

It is unfair, however, to complain of what Professor Court does not give us when he has, within his chosen field, provided four hundred pages of concentrated information invaluable for the student; not only of the war, but of the future of this basic industry.

STEVEN WATSON.

### *Social Aspects of a Town Development Plan*

A Study of the County Borough of Dudley. (University Press of Liverpool.) Pp. 168. 7s. 6d.

THE title of this book aptly describes its scope. It deals only with some, and not all social aspects of a town development plan. It is a report prepared by the Department of Social Science of Liverpool University for the Council of the County Borough of Dudley as a preparatory study for the Council's development plan. It does not pretend to be a complete social survey of the town, but, after a description of the physical background, it is confined to the examination of four topics: neighbourhood structure, industrial employment, population trends and housing needs.

To understand why this selection of subjects was made it is necessary to appreciate the authors' view of the scope and purpose of planning in such a town as Dudley. For them planning is essentially a social function. In built-up areas the wholesale replacement of the present

physical environment of buildings is not a practical possibility. The aim of the plan must rather be to exploit to the full what is there already, depending only gradually and to a limited extent upon physical development or re-development. There is, moreover, nothing final about it: the plan is "an activity and not a thing."

With this approach and with these limitations the authors hold that planning can only work effectively with and through the citizen. His interest and support must be captured for the desired objectives—which therefore must be kept to a few broad and easily understood ones—while all the services undertaken by the planning authority must contribute to the plan.

In this, moreover, local government can do much to recapture its importance and retain its value. Its administrative

functions are shrinking and it must assert once more its representative character by developing its "community-building" functions. "The emphasis for the future should be, not so much on the provision of services for people, as on the development of a community life in which each individual and family can participate to the full."

The realisation of this aim requires the development of social interdependence between people and between them and their local authority. This is to be found in the neighbourhood and the neighbourhood association. Though it has a physical basis of locality, there is no hard and fast definition of the neighbourhood, and its value lies in the opportunity it gives for co-operation in meeting common burdens and problems. The object of planning should therefore be to give direction to natural growth where it is to be found, and the report makes interesting suggestions how local government services can be used to develop the neighbourhood.

With this as the general thesis it is not surprising that the report has little of the physical problems of planning. Rather it concentrates on the main social problems for which planning can contribute to a solution. An interesting statistical analysis of population trends, based on a sample survey, shows that Dudley is likely to be fortunate in avoiding the more marked effects of the post-war rise in the birthrate and the general ageing of the population.

Housing, which is the foundation of the

neighbourhood, must have a programme designed to meet real, and not imaginary needs. This must take account both of the unsatisfied demand for housing—which is a complex figure to assess—and of the sizes of dwellings required—which involves questions of overcrowding and mal-distribution of housing. In analysing these factors the report shows that the popular belief that the five-roomed house meets the needs of the "average" family is fallacious; that in Dudley more than three-quarters of the population is either over- or under-housed; but that re-distribution of existing dwellings could reduce this to one-quarter. It would be interesting to see the results of applying the same technique to other areas.

So far as industry is concerned the report accepts the conclusion that little can be done to correct Dudley's lack of "balance." The town is an integral part of the Black Country, and little harm can come from the probable increase in employment outside the town's boundaries, since in the local circumstances this does something to enrich social life by offering variety and range.

For readers who are not directly concerned with the particular locality under review, the interest in a planning report lies not so much in its specific results or recommendations as in the approach or techniques it adopts. In both these respects the present report may be commended as containing much that is stimulating and of general value.

W. O. HART.

### *The Clerk of the Council and his Department*

A Manual of Administration. (Published by the Society of Clerks of Urban District Councils.) Pp. 472. 30s. net.

SOME years ago the Society of Clerks of Urban District Councils appointed a committee to compile an account of the functions and administrative methods of the clerk of a district council and his department. This committee has finished its work, and published this record of the working of such an office. It is at the same time a factual statement of what the clerk and his assistants have to do, and a most useful guide to the best methods of carrying out their countless duties.

The book is intended primarily for the use of those who are themselves engaged in local administration—clerks of local

authorities, their deputies, and senior members of their staffs. It cannot be pretended that it will have a wide appeal to the lay public, although there is much in it to interest students of public administration or of the practical working of local government in England. It is too detailed for the ordinary general reader, but will have for that reason a particular value for those who are actually engaged upon work of the type described. Among these are those Colonial administrators who are liable to find themselves suddenly called upon to institute in their territories systems of local government based upon

## BOOK REVIEWS

that of this country. Here they will find a detailed yet lucid description of the actual processes by which the business of local councils is conducted in England. Here are set out all the details of many matters which cannot be found either in the usual textbooks or in the Statutes of the Realm; the daily routine of an office, the procedure for elections, how to prepare agendas and minutes of commit-

tee meetings, and much else besides.

The editorial committee, composed of ten clerks of Urban District Councils, and many anonymous contributors, have devoted painstaking labour to the production of this book, and the result is a volume which contains much practical wisdom based on their cumulative experience, and much valuable information.

B. KEITH-LUCAS.

### *Competitive and Co-operative Trends in Federalism*

By M. VENKATARAMAIA, Gokhale Institute of Politics and Economics, Poona, 1951. Pp. 42. Price Rs. 1.8. (Distributed in the United Kingdom by B. F. Stevens & Brown, Ltd., 28-30, Little Russell Street, London, W.C.1.)

STUDENTS of federal government will welcome Professor Venkatarangaiya's lecture on competitive and co-operative trends in federalism, not only because he has chosen one of the most fruitful topics for discussion in this field, but also because he has long been a distinguished student of federal problems in India. He deals with a number of federal systems in the course of his lecture, but he relates their experience to the problems which lie ahead of those who are to work the new Indian Constitution of 1950. His discussion is lucid and penetrating and he sums up the evidence fairly and wisely. There is no need, he says, "to think of centralisation as the only remedy for overcoming the defects of federalism. The federal system of government has shown its capacity to adjust itself to changing needs and circumstances and

this process of adjustment has in all federations been facilitated by the growth of co-operative devices" (p. 41). Not everybody would agree with this conclusion, perhaps. Indeed the strength of the competitive forces in federal systems seems often to outweigh the forces for co-operation. The author is not blind to this fact, but he has a hope and a belief that "if these co-operative trends are strengthened, federalism will continue to be an ideal system of government for countries like India, the United States, Canada and Australia. . . ." Students of comparative government are fortunate to have Professor Venkatarangaiya on the spot in India to observe and discuss the great experiment in parliamentary and in federal government now in progress there.

K. C. W.

## BOOK NOTES

### *Financial Control: Its Place in Management.*

By various Contributors with a Foreword by SIR EDWARD BRIDGES. (Macdonald and Evans, and the Institute of Public Administration), 1951. Pp. 89. 6s. 6d.

THE first four chapters in this book deal with financial control in a Government Department, Local Authority, Public Corporation and a Business Undertaking. The last chapter reviews the methods described. Each author is an expert in his own field and the whole is a very useful publication for the practitioner and the student.

### *Elements of Local Government Establishment Work.*

By a Study Group of the Institute of Public Administration. (Allen and Unwin for the Institute of Public Administration), 1951. Pp. 119. 7s. 6d.

THIS study deals with the whole range of establishment work for local government by a group already engaged in this work. It is very much a practical study designed to help officials and Councillors. At the same time it is a contribution to the development of ideas in a subject which is still far from being settled or fully explored. On one major point at least there may be differences of opinion for some will feel that the group did not do full justice to the possibility of placing establishment work in the Treasurer's Department. One would certainly have liked to have seen the pros and cons more thoroughly discussed. Can control of establishments be wholly separated from financial control—if not how are the two to be related? Also the Group appears to reject the Civil Service analogy without a great deal of consideration.

### *Local Government Financial Statistics*

By V. J. OXLEY. (Allen and Unwin for the Institute of Public Administration), 1951. Pp. 96. 7s. 6d.

THIS publication should be very useful to councillors, officials and all concerned with local affairs. It is a guide to the published statistical information. The contents of each publication are described and there is a handy index for reference.

### *The Extent of Centralisation Parts I and II*

Acton Society Trust — Studies of Nationalised Industry Numbers 6 and 7. (To be reviewed.)

### *The Administration of the Hospital Service*

Report of a Committee of the Institute of Hospital Administrators. (I.H.A.), 1951. Pp. 88. 5s. 3d. post free.

THE Institute of Hospital Administrators have rendered a public service by preparing and issuing this report. The members of the Committee are all expert administrators in the hospital service. They discuss with authority and a high degree of impartiality the current administrative problems facing the service. They deal with such matters as the position and functions of the Regional Boards, responsibilities, etc., of the Senior Officer, principles of hospital finance, relations of Hospital Authorities to other Health Authorities and staffing. On finance—a key problem—the Committee say, "both in principle and in detail there is much to criticise in the financial administration of the hospital service at the present time. The first necessity is a greater allocation of money. Along with it, and if necessary in anticipation of it, those responsible for financial control in the service must break away from the cumbersome shackles of governmental financial procedure and devise a means of achieving that flexibility and financial devolution which has never ceased to be an avowed aim of the service".

### *The Hospitals Year Book, 1951*

EDITED BY J. F. MILNE. (Institute of Hospital Administrators), London, 1951. Pp. 1,360. 42s.

THIS is an indispensable guide to the hospital service, full of information about the various authorities and hospitals, costs, beds, law, etc. The Editor deals with a number of current problems of the hospital service, including the difficult problem of financial control. Mr. Horace Keast deals with Organisation and Methods in the National Health Service.

*Lessons of the British War Economy*

EDITED BY D. N. CHESTER. (Cambridge University Press), London, 1951. Pp. 260. 22s. 6d.

THOUGH most of the authors are economists most of the lessons are concerned with the administration of economic policy and of various controls. (To be reviewed.)

*Methods of Social Welfare Administration*

United Nations and H.M.S.O. (1951). Pp. 299. 17s. 6d.

PREPARED by the United Nations Department of Social Affairs for use of the Economic and Social Council and its Social Commission, this study consists of monographs on thirty countries which describe the attempted solutions of these countries of their problems of administrative organisation in the social welfare field. In a concluding general summary, the study analyses some of the most frequently recurring problems of social welfare administration, indicating the countries in which particular lines of solution are being followed. The summary outlines the channels through which social welfare services reach the beneficiaries and notes any tendency to shift from one to another of these channels. In so far as social welfare activities come within the field of responsibility of Ministries of the central Government, the methods by which the central Ministry exerts an influence on the operations through which services reach the beneficiaries are reviewed. The specialised branches of social welfare activity are surveyed in order to indicate some of the principal places where they have been located in the administrative structure of various countries. In addition, administrative co-ordination, finances, personnel and non-governmental social welfare organisations are reviewed. Throughout the summary reference is given to the country monograph in which fuller information may in most cases be found.

*Guide to Census Reports of Great Britain, 1801-1931*

H.M.S.O. Pp. 119. 3s. 6d. net, 3s. 8d. post free.

THIS booklet is No. 2 in the series of Guides to Official Sources sponsored by the Interdepartmental Committee on Social and Economic Research. Its aim is to

give research workers and others an account of the development of the Census and of the wide range of information published in the extensive series of reports, running to well over a hundred large volumes, on the first fourteen decennial enumerations of the people of Great Britain. An introductory chapter refers to legislation which has authorised successive censuses, to the nature and range of questions asked on each occasion, and to the reports published after each. This is followed by a synoptic view of the development of the Census. The method of census taking adopted in 1801 was substantially changed in 1841, when the householder's schedule was first introduced and responsibility for census taking in each local area was vested in the Registrar. The booklet contains an outline of the range of information obtained on twelve selected subjects of census enquiry, including a statement on the nature and scope of the special enquiries into education and religious worship, made on a voluntary basis in 1851, as well as an account of difficulties experienced in the attempts made from 1851 to 1911 to obtain particulars through the Census of the nature and extent of physical and mental infirmity. The sections dealing with occupation, industry and birthplace are accompanied by reference lists, presented in a concise form, which indicate in detail the content of tables given in the Census Reports. Information relating to the Armed Forces, the Merchant Navy, persons aboard vessels in ports or territorial waters and populations of hospitals, prisons and other institutions, is followed by a final chapter containing notes on areas for which populations have been given in census reports. The schedule used in the census of Scotland in 1861, which has never been published elsewhere, is among the series of census schedules reproduced in the Appendices.

*Studies in the History of Swindon*

BY L. V. GRINSELL, H. B. WELLS and others. (Swindon Borough Council), 1950. Pp. 204. 10s. 6d. (To be reviewed.)

*Parliamentary Government in the Commonwealth*

EDITED BY SYDNEY D. BAILEY. (Hansard Society), 1951. Pp. 217. 9s.

A SYMPOSIUM of useful articles covering different aspects of the working of Parliamentary Government in the Dominions

written by authorities in the countries concerned. The articles are short and very much to the point. They reveal the many similarities and differences between these institutions and those of Britain.

### *Introduction to Economics*

By A. K. CAIRNCROSS. (Butterworth), 1951. Pp. 592. 18s. 6d.

THIS is a second revised edition of a well accepted textbook. The author relates his theory to practical affairs in a way which makes the subject much more interesting for most people, particularly for those who feel they ought to know something about this important subject without getting out of their depth in the deep waters of abstract theory.

### *New Towns: their Challenge and Opportunity*

By L. E. WHITE. (National Council of Social Service), 1951. Pp. 100. Paper 4s. 6d., cloth boards 7s. 6d.

AFTER an introductory section dealing with the reasons for the setting up of new towns, the experiences of Letchworth and Welwyn, and the main characteristics of the new towns now in progress, Mr. White discusses the many problems faced by the towns at this critical early stage. The relations between physical planning and community development, old and new residents, local authorities and the New Town Corporations, are studied in the light of his wide experience in new housing areas. He suggests ways in which people can help to plan their own neighbourhood, and comments on the part played by community centres and associations, churches, youth groups and women's groups; and on the provision of space for outdoor recreation.

### *Planning Appeals*

By HAROLD J. J. BROWN. (Sweet and Maxwell), 1951. Pp. 95. 12s. 6d.

AN authoritative analysis of the principles, practice and procedure in respect of appeals to the Ministry of Housing and Local Government under the Town and Country Planning Act, 1947, by the Assistant Editor of the Journal of Planning Law.

### *Wigram's Justices' Note Book (15th Edition)*

By EDWARD HOOTON. (Stevens), 1951. Pp. 428. 37s. 6d.

SINCE the last edition (1938) there has been a spate of legislation, all of which is now dealt with in this new edition.

### *Christianity and Human Relations in Industry*

By SIR GEORGE SCHUSTER. (Epworth Press), 1951. Pp. 128. 6s. 6d.

AN interesting discussion of a very topical issue. The author's approach can be seen in some of his concluding words: "The great need today is for a spirit of fighting optimism . . . an optimism which sees the problems but refuses to accept them as insoluble."

### *Local Authority Accounts and Organisation*

THE Institute of Municipal Treasurers and Accountants have published two research studies, the first in a series dealing with local government accountancy and office organisation. They are "A comparative examination of the methods of scheduling accounts and expenditure analysis used by local authorities in England and Wales," and "An examination of the methods of keeping ratepayers' accounts in England and Wales." These studies contain detailed descriptions of the main systems and give an objective survey of the merits of each. Their main purpose is to assist Local Authorities in this country in their financial administration, but they will also be of considerable use to local officials in the Colonies and in other countries. Copies can be obtained from the I.M.T.A., price 20s. each.

### *Register of Research in the Social Sciences*

By THE NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH. (Cambridge University Press), 1951. Pp. 174. 15s.

A NEW edition of the extremely useful analysis of research in progress and a directory of research institutions. The material is analysed under broad headings and there is an ample index.



# BOOK NOTES

## *The Personnel Aspects of Management*

By C. H. NORTHOTT. (Institute of Management Association), 1951. Pp. 36. 5s.

## *Filing and Indexing*

By O. W. STANDINGFORD. (Office Management Association), 1951. Pp. 36. 5s.

## *You and Your Town*

N.A.L.G.O. (Educational Productions, Ltd.), 1951. Pp. 36. 2s.

## *Your Parliament*

Hansard Society. (Educational Productions, Ltd.), 1951. Pp. 32. 2s.

REASONABLY accurate accounts, in pictures and text, of the working of local government and of Parliament; useful for informing the citizen and the school child.

## *Rent Restrictions*

By E. DANGERFIELD. (Stevens), 1951. Pp. 133. 8s. 6d.

ANOTHER addition to Stevens's useful "This is the Law" Series.

## *The Leasehold Property (Temporary Provisions) Act, 1951*

By J. MUIR WATT. (Sweet and Maxwell and Stevens). Pp. 81. 7s. 6d.  
CURRENT Law Guide No. 8.

## *British Council Report for 1950-51*

Pp. 120.

## *Program-Making in Unesco*

By CHARLES S. ASCHER. (Public Administration Service), Chicago, 1951. Pp. 84. \$2.50.

THE first of a series of studies of international administration sponsored by Public Administration Clearing House, Chicago. (To be reviewed.)

## *Analysis of Society*

By LEO SILBERMAN. (Hodge and Co.), 1951. Pp. 262. 15s.

THE author is concerned with the study of social phenomena "objectively and with sympathy." He is concerned with such questions as—what is the relevance of social theory to our long search for an understanding of human nature? what guidance can the state derive from social theory and analysis? In a chapter on the Education of the Governing Classes, Mr. Silberman has some rather superficial things to say about the Civil Service, for which his main source is the book by Professor Herman Finer, published in 1937. (Incidentally Professor Finer is wrongly described as an Oxford political scientist.)

## *Current Legal Problems, 1951*

By G. W. KEETON and G. SCHWARZENBERGER. (Stevens), 1951. Pp. 428. 45s.  
(To be reviewed.)

## *The Youth Employment Service*

By H. HEGINBOTHAM. (Methuen), 1951. Pp. 222. 8s. 6d.  
(To be reviewed.)

## *A Consumers' Democracy*

Pp. 160.

AN account of the origins and growth of the C.W.S., Ltd., and a survey of its present organisation and its major activities prepared by the Publications and Market Research Depts. of the C.W.S.

# RECENT GOVERNMENT PUBLICATIONS

THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute :—

**Bank of England.**

Report for the year ended 28th February, 1951. Cmd. 8317. pp. 16. 6d.

**Boundary Commission for Wales.**

Report with respect to the areas comprised in the constituencies of Cardiff North, Cardiff South East, Cardiff West, and Monmouth. H.C. 231. pp. 3. 1951. 3d.

**British Broadcasting Corporation.**

Annual report and accounts for the year 1950-51. Cmd. 8347. pp. 121. 7 illus. 4s. 6d.

**British European Airways.**

Report and accounts for 1950-51. H.C. 263. pp. 94. Maps, charts. 3s. 6d.

**British Overseas Airways Corporation.**

Report and accounts for 1950-1951. H.C. 264. pp. vi, 62. 2s. 6d.

**British Transport Commission.**

Report and accounts for 1950. H.C. 210. pp. vii, 446. 1951. 12s.

This is the third annual report dealing with the organisation and operations of the various Executives during 1950, preceded by chapters on the organisation and administration generally, including staff policy. Charts, diagrams, tables, etc.

**Broadcasting.**

Memorandum on the report of the Broadcasting Committee, 1949. Cmd. 8291. pp. 12. 1951. 6d.

**Central Land Board.**

Report for the financial year 1950-1951. H.C. 258. pp. 17. 9d.

**Central Office of Information.**

Lords and Commons : how Parliament began and how it works. pp. 26. Illus. 1s. 6d.

**Colonial Advisory Council of Agriculture.**

Animal Health and Forestry. Publication No. 1. Report of a survey of problems in the mechanisation of native agriculture in tropical African colonies. pp. 120. 53 illus., 2 maps, bibliog. 1951. 5s. 6d. Contains chapters on social problems, land tenure problems and the administration of mechanisation schemes.

**Colonial Office.**

Annual report of the Bechuanaland Protectorate for 1949. 1951. 4s.

(—) Colonial No. 275. Labour administration in the colonial territories, 1944-1950. pp. 32. 1951. 1s. A short survey of the efforts and progress made to improve labour conditions in the colonies.

(—) Colonial No. 278. Report by H.M. Government . . . to the General Assembly of the United Nations on the administration of Tanganyika under United Kingdom Trusteeship for the year 1950. pp. ix, 358. Illus., map in pocket. 1951. 12s. 6d.

(—) Colonial reports. Hong Kong annual report, 1950. 1951. 12s. 6d.

(—) Colonial research, 1950-51. pp. 243. 1951. Cmd. 8303. 6s. 6d.

Annual reports of eleven research committees and matters not covered by the specialist advisory bodies. Bibliogs.

(—) Development of African local government in Tanganyika. Colonial No. 277. pp. 55. 1951. 1s. 6d. An overall picture of the stages of development reached in various parts of the territory.

(—) Report . . . to the General Assembly of the United Nations on the Administration of the Cameroons under United Kingdom Trusteeship for the year 1950. Colonial No. 276. pp. xii, 294. 11 illus., 3 maps. 1951. 12s.

(—) Report . . . to the United Nations on the administration of Togoland under United Kingdom trusteeship for the year 1950. Colonial No. 274. pp. x, 264. 1951. 9s.

**Committee of Privileges.**

Report (speech of Lady Mellor). H.C. 235. pp. viii, 12. 1951. 1s. 3d.

(—) Report (Complaint of obstruction of Mr. John Lewis). H.C. 244. pp. xii, 30. 1951. 2s.

**Committee of Public Accounts.**

Session 1950-51. Fourth report. H.C. 241. pp. 34. 1951. 1s. 3d.

**Department of Health for Scotland.**

The reception and welfare of in-patients at hospitals. pp. 19. 1951. 9d.

# RECENT GOVERNMENT PUBLICATIONS

- General Register Office.  
Census, 1951, England and Wales : preliminary report. pp. xxiii, 52. 5s.
- Home Office.  
Criminal statistics, England and Wales, 1950. Cmd. 8301. pp. xliii, 92. Charts. 1951. 4s. 6d.
- House of Lords.  
The Standing Orders for the House of Lords, except as to local and personal bills and judicial business, 1936. pp. 78. Reprinted 1951. 2s. 6d.
- Lord Chancellor's Office.  
Annual report of the Board of Control for the year 1950. H.C. 243. pp. 9. 1951. 6d.
- (—) First report of the Law Society on the operation and finance of Part I of the Legal Aid and Advice Act, 1949, and the comments and recommendations made by the Advisory Committee. pp. 48. 1951. 1s. 6d.
- Ministry of Agriculture and Fisheries.  
Report of the Committee on Post-war agricultural education in England and Wales. Cmd. 6433. pp. 92. 1943 (reprinted 1951). 2s.
- Ministry of Education.  
Educational pamphlet No. 112. The education of backward children, with special reference to children who are backward because they are dull. pp. 64. 1937 (reprinted 1949). 1s. 9d.
- Ministry of Fuel and Power.  
Annual reports of the Industrial Coal Consumers' Council and the Domestic Coal Consumers' Council for the year ended 30th June, 1951. H.C. 223. pp. 20. 9d.
- Ministry of Health.  
Memorandum on the duties of Local Authorities in relation to (1) the casualty services and (2) public health in time of war. pp. 15. 1951. 6d.
- (—) Report for the year ended 31st March, 1950. Part II—On the state of the public health. Cmd. 8343. pp. v, 194. 6s.
- Ministry of Health and Scottish Office.  
Inland Water Survey Committee. 5th annual report, 1950. pp. 18. 2 charts. 1951. 9d. The first report issued since 1939.
- Ministry of Labour and National Service.  
Annual report for 1950. Cmd. 8338. pp. vii, 171. 1951. 6s.
- Ministry of Labour and National Service.  
(—) Industrial relations handbook, supplement No. 3, December, 1949—Joint consultation in industry. pp. 100. 1950. 3s. 6d.
- (—) Interim report of the Cost of Living Advisory Committee. Cmd. 8328. pp. 7. 1951. 6d. Recommends a new budget enquiry as the basis for a new index of retail prices.
- (—) Report of the Committee on Recruitment and Training for the Youth Employment Service. pp. 23. 1951. 9d.
- Ministry of Local Government and Planning.  
Housing return for England and Wales, 30th June, 1951. Appendix B. pp. 78. 2s.
- (—) Rates and rateable values in England and Wales, 1950-1951. pp. 60. 1s. 9d.
- Ministry of Works.  
Annual report for 1950. Cmd. 8306. pp. 32. 8 illus. 1s. 6d.
- National Assistance Board.  
Report for the year ended 31st December, 1950. Cmd. 8276. pp. 56. 1951. 1s. 9d.
- New Towns Act, 1946.  
Reports of the East Kilbride and Glenrothes Development Corporations for the year ended 31st March, 1951. H.C. 237. pp. 48. 1s. 9d.
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76th annual report, 1950-1951. 1s.
- Registrar-General for Scotland.  
Preliminary report on the fifteenth census of Scotland, 1951. pp. xiv, 47. 1951. 3s.
- Royal Mint.  
The Royal Mint : an outline history. pp. 15. Illus. 1951. 6d.
- Scottish Education Department.  
75th annual report by the Accountant : accounts for the year 1946-47. pp. 29. 1951. 1s.
- Scottish Home Department.  
Report on prisons in Scotland for the year 1950. Cmd. 8261. pp. 48. 1951. 1s. 3d.
- Select Committee on Estimates, session 1950-51.  
Fifth report (Departmental replies to the third report, on rearmament). H.C. 233. pp. 8. 1951. 4d.

# PUBLIC ADMINISTRATION

Select Committee on Estimates.

(—) Session 1950-51. Sixth report (Ministry of Transport : shipping and war terminal services). H.C. 234. pp. xiv, 63. 1951. 3s. 6d.

(—) Seventh report. Session 1950-51. The Foreign Service. H.C. 242. pp. xxx, 284. 11s.

Organisation ; staff, pay and allowances ; Foreign Service establishments abroad ; Administrative and ancillary services ; Foreign Office grants and services.

(—) Session 1950-51. Tenth report—Rearmament. pp. xviii, 98. H.C. 260. 1951. 5s.

(—) Session 1950-51. Eleventh report—Regional hospital boards and hospital management committees. H.C. 261. pp. xxxvii, 305. 12s.

Organisation of the services, financial control, Whitley councils, establishments, etc.

(—) Session 1950-51. Report (pursuant to Order of 27th June). Complaint of a passage in "The Daily Telegraph." H.C. 227. pp. 11. 1951. 6d.

Select Committee on Statutory Instruments.

Special report. H.C. 239. pp. 7. 1951. 4d.

Stationery Office.

Parliamentary papers. Lists of the bills, reports, estimates and accounts

and papers . . . session 1950. H.C. 179. pp. 1, 52. 1951. 3s. 6d.

Treasury.

Civil estimates, 1951-52. Revised estimates of the sums required in the year ending 31st March, 1952, for the National Health Services and Ministry of National Insurance. H.C. 219. pp. 59. 1s. 6d.

(—) Control of dividends. Cmd. 8318. pp. 3. 1951. 3d.

(—) Final report of the Committee on the Form of Government Accounts. Cmd. 7969. pp. 86. 1950. 2s. 6d. Examines the existing systems of accounting in Departments in the light of modern accounting practice and makes important recommendations for improvements.

(—) National Insurance Act, 1946. First interim report by the Government Actuary for the period 5th July, 1948, to 31st March, 1950. H.C. 103. pp. 29. 1951. 1s.

(—) Recovery record : the story of Marshall Aid in Britain. pp. 38. Illus. 1951. 2s. 6d.

Universities Grants Committee.

Returns from Universities and University Colleges in receipt of Treasury grant, academic year, 1949-50. Cmd. 8307. pp. 38. 1s. 6d.

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Abrams, Mark.

Social surveys and social action. pp. 153. Bibliog. 1951. *Heinemann*.

Anderson, William, and Weidner, Edward W.

American city government. Rev. ed. pp. xiii, 625. 24 figs., 39 tabs. 1950.

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Public finance. 2nd ed. pp. xx, 846. 1940. *McGraw-Hill*. Although based mainly on American experience, the lessons of European public finance have not been ignored, on the thesis that America's public finances cannot be understood unless they are related to the finances of other leading nations. Full bibliographies are appended to each of the thirty-four sections.

Cole, G. D. H.

The British co-operative movement in a socialist society: a report written for the Fabian Society. pp. 168. 24 tabs. 1951. *Allen & Unwin*. Suggests, among other recommendations, the foundation of a "mutual trading" movement under State sponsorship.

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La République et son pouvoir. pp. 205. 1950. *Nagel, Paris*.

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Municipal and other local governments. pp. viii, 664. 1950. *Prentice-Hall, N.Y.* A full account of all forms of local government in the United States, based on the thesis that city government and county government cannot work efficiently without each taking account of the other.

Friedmann, W. P.

Principles of Australian administrative law. pp. 118. 1950. *Melbourne University Press*. Author is Professor of Public Law in the University of Melbourne.

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Personnel management: its scope and practice. 2nd ed. pp. viii, 336. Bibliog. 1950. *Pitman*. Author is Director of the Institute of Personnel Management and was formerly Labour Manager of Rowntree & Co., Ltd., York.

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The clerk of the council and his department: a manual of administration. pp. 472. 1951.

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The Parish Chest: a study of the records of parochial administration in England. 2nd ed. pp. xi, 346. 16 illus., bibliog. 1951. *C.U.P.* Indicates the principal classes of record available with hints on their interpretation.

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